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NEWS SUMMARY

GENERAL

Khomeini plans Sunday return

Ayatollah Khomeini will attempt to return to Iran on Sunday. The Shah's exiled leading opponent said in France he would go back when the country's airports reopened, even if that meant bloodshed.

In Tehran, the embattled government of Prime Minister Shapur Bakhtiar was boosted when thousands of people marched through the streets chanting: "Bakhtiar, stay at your post."

The Ayatollah originally planned to fly to Iran today but the Government announced that the country's airports would be closed for three days. Page 3

Council shake-up

County councils would be stripped of many of their powers under Government plans for a major shake-up local government. More power would be given back to the major cities. Page 6, Editorial Comment, Page 18

Film fire probe

An inquiry has started into the fire at EMI's Elstree studios yesterday. The cost of damage and delays caused to the shooting of Stanley Kubrick's film The Shining is estimated at £1.5m.

Snow is back

There was more chaos on Britain's roads last night as commuters forced onto the road by the rail strike faced more snow. Roads were blocked in South Wales and eight inches of snow fell in parts of Ulster.

Record exodus

Whites are leaving Rhodesia at the record rate of nearly 100 a day. The net exodus for 1978 was 13,709 and nearly 3,000 whites left in December alone. Page 3

China relents

China has made another major policy change by announcing it will return money and property seized from former "capitalists" during the cultural revolution. The move is seen partly as a signal that Chinese in Taiwan and elsewhere abroad can expect a fair deal from the present regime.

Pope arrives

Pope John Paul II arrived in the Dominican Republic on his first foreign trip since his elevation to the Papacy last October. The Pope kissed the ground and blessed the crowd as he stepped off the aircraft.

'Belt-up' Bill

A Government Bill designed to make the wearing of car seat belts compulsory was given its formal first reading in the Commons. It is the fifth attempt at such legislation. Page 10

Jet flies in

The U.S. anti-tank jet aircraft arrived in Britain to start operational flights. A total of 106 aircraft will be stationed at Bentwaters in Suffolk.

Briefly . . .

Woman aged 26 and her two children were found dead in a house at Barnoldswick, Lancs.

Armed gang took £10,000 from a guard outside Lloyds Bank in Hainault, Essex.

Vice-Admiral H. T. Baillie-Grohman, who hoisted the white ensign at Kiel after the German surrender in May 1945, left £25,788 net in his will.

Cognac will cost about 50p a bottle more from next month. Page 6

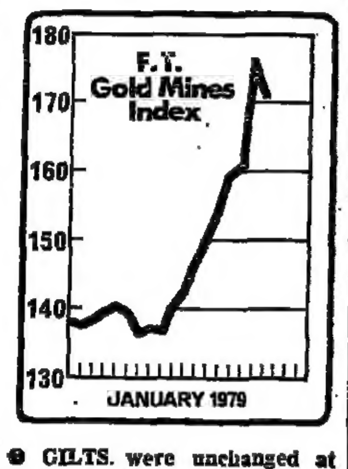
Tory MP Reginald Maudling was having more tests at Westminster hospital, London, after being admitted with internal bleeding.

South Africa has lifted its seven-year ban on the British satirical magazine Private Eye,

BUSINESS

Equities up 0.9; Gold mines fall

● EQUITIES remained quiet even though rumours of an impending rise in the Minimum Lending Rate proved baseless. Leading shares movement was limited to less than a point and the FT industrial index rose 0.9 to 461.9. Gold shares were lower in the wake of overnight U.S. selling.



● GILTS were unchanged at 66.47, with shorts recovering a ¼ by close.

● GOLD fell $1¼ to $235¾ in London.

● STERLING lost 70 points to $1.9970, its trade-weighted index rising to 63.3 (63.2). The dollar rose against most currencies, closing at DM1.8590 (1.8440). Its trade-weighted depreciation narrowing to 8.6 per cent (8.8 per cent).

● WALL STREET was up 8.41 at 354.32 near the close.

● ISRAEL will start drilling for oil in a block on the [illegible] of the Sinai Peninsula for which BP recently paid a $2m signature bonus for exploration rights. Back Page

● EXECUTIVES of some leading European shipping companies could receive U.S. Justice Department letters saying they may face personal criminal charges in connection with transatlantic services. Back Page

● NATIONAL Enterprise Board announced the formation of an office equipment subsidiary, NEXOS office systems, in which it is preparing to invest £40m. Page 7

● FAIR TRADING Office has issued a High Court writ against Hotpoint, a GEC subsidiary, because of its refusal to supply washing machines to Comet, the discount warehouse dealer. Page 7

● EUROPEAN telecommunications companies could win a share of the $1.4bn (£700m) business for modernising Egypt's telephone service as the Government appears to have abandoned an earlier plan to give the whole contract to a U.S. group. Page 4

● COAL BOARD has put a £50m ceiling on pay increases for mineworkers and has told the union that claims for 40 per cent increases will add £4 a tonne to the price of coal. Page 8

● PAY RISES of 10 per cent to 28½ per cent have been awarded to about 34,000 engineers in the private contracting industry in a recent award by independent arbitrators. Page 8

COMPANIES

● INCHCAPE AND CO. reports pre-tax profits of £23m for the half-year to September 30 after deducting £3.8m for Dutch trading losses. Profits for the same period last year were £34.42m. Page 20 and Lex

● FITCH LOVELL saw pre-tax profits rise 46 per cent to £4.03m for the 28 weeks to October 28. First-half earnings per share are 4.54p (3.91). Page 20

● ALLIED TEXTILE taxable profits rose from £2.83m to £3.23m in the year to September 30. Turnover was up from £30.7m to £34.4m mainly due to exports. Page 20

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 9pc '80	£96¾xd	+ ¼
British Cine.	68	+ 5
Bullough	177	+ 13
Burton A	188	+ 4
Francis (G. R.)	60	+ 4
Hillards	213	+ 7
Liden	11	+ 2
Lister	54	+ 3
MFI Furniture	186	+ 7
Sirdar	98	+ 7
Smallshaw (R.)	50	+ 6
Status Discount	222	+ 13
U.D.T.	45	+ 2
Waring & Gillow	141	+ 5
Gold Mines Kalgrlie.	82	+ 8
Impala Plat.	210	+ 8
Mount Lyell	63	+ 5
Rustenburg Plat.	132	+ 12

FALLS		
A.B. Electronic	152	− 6
Assoc. Engineering	100	− 5½
Finlas	123	− 7
Glynwed	105	− 4
Inchcape	318	− 4
Mills & Allen Intl.	207	− 8
R.H.M.	47½	− 3½
Tate & Lyle	144	− 10
Williams & James	125	− 6
Anglo Amer. Corp.	345	− 10
Blyvoor	329	− 15
Cons. Gold Fields	191	− 6
De Beers Defd.	432	− 20
East Drie.	763	− 42
Libanon	529	− 21

RAIL SERVICES MAY BE CUT

British Rail warned yesterday that it may cut some weekend and off-peak services to reduce the financial damage caused by the train drivers strikes if the men continue their action. Sir Peter Parker, British Rail chairman, has put the cost of the strikes so far at more than £10m.

The Northern Ireland Road Transport Association has increased its offer to lorry drivers from £61.50 to £62.50. It is also proposing better fringe benefits. Negotiations in south and west England were continuing last night, and are due to begin in other areas within the next few days.

Public service workers have agreed to lift their picket on a Birmingham hospital. The blockade of vital supplies had forced doctors to send home 125 cancer patients. The workers' union leaders met in London to set up a structure aimed at maintaining essential supplies.

Pharmaceutial ompanies admitted that there was no immeditae risk of a drug shortage. This contradited the Home Seretary's Commons statement on Wednesday night that the shortage might mean bringing in troops.

But the drivers strike is still badly affecting the motor industry, where 200,000 workers have been laid-off. Vauxhall has sent notices to 5,000 workers and stopped production of completed vehicles at Luton and Dunstable. BL has laid off 10,300 workers.

Court move to test law on picketing

BY NICK GARNETT AND PHILIP RAWSTORNE

A DIRECT test of the law on picketing which will have far-reaching repercussions on the way trade union disputes are fought is being mounted in the High Court today by one of Britain's major companies.

The case, brought by United Biscuits before a judge in Chambers this morning, will go a long way to define what types of secondary picketing are within the law.

In particular it will test whether pickets stopping employees of a company not in dispute from going about their business have immunity within the terms of the 1974 Trades Union and Labour Relations Act.

Yesterday in a statement on picketing law Mr. Sam Silkin, the Attorney-General, told the Commons that although workers could lawfully attempt to ensure that their employer got no deliveries from his supplier, recent court decisions suggested that efforts to block the supply chain at an earlier stage would be likely to fall outside the protection of the Act. This effectively limited the civil protection afforded to pickets.

United Biscuits seeks an injunction against Mr. Reginald Fall, a striking lorry driver and a Transport and General Workers' Union shop steward, of South Ockendon, Essex, from doing anything to cause or induce a breach of contract by employees of United Biscuits.

It seeks to restrain him from doing anything which prevents United Biscuits and Loders and Nucoline, an edible oil producer of Silvertown, East London, from carrying out their business contracts with each other. Damages are being sought.

United Biscuits uses its own tanker lorries to ferry edible oil from Loders and Nucoline to two of its factories in London.

The writ against Mr. Fall is based on the activities of pickets outside the Loders and Nucoline factory, which have prevented United Biscuits' own drivers and lorries from using the plant.

Mrs. Margaret Thatcher, the Opposition Leader, urged employers last week to take legal action against pickets if pickets disrupted their businesses.

Sir Hector Laing, chairman of United Biscuits, is a close adviser of Mrs. Thatcher. Mr. James Prior, Opposition Employment spokesman, is one of the company's directors.

United Biscuits said that the decision to issue a writ on Mr. Fall had been made solely on

Continued on Back Page

The National Coal Board yesterday told miners leaders it was prepared to spend £50m on pay increases in the coming year. Mr. Joe Gormley, president of the National Union of Mineworkers, which is seeking 40 per cent increases, said it would take double the offer to keep miners at the top of the earnings table. Page 8.

Lorry strike effects, Page 8
Parliament, Page 10

Healey warns on pay rises

By Richard Evans, Lobby Editor

THE STARK alternatives that would face the country if wage settlements this year reach an average level of 15 per cent were outlined to the Commons last night by Mr. Denis Healey, Chancellor of the Exchequer.

He said that the Government would stick firmly by its declared monetary and fiscal policies. Thus, excessive wage settlements would mean higher unemployment, a substantial reduction in the standards of public services and increases in income tax.

In addition, settlements well into double figures would fail to produce any real increase in take home pay because of the adverse effect on the inflation rate.

The Chancellor estimated that a 15 per cent wage level in the current round of pay settlements—which he stressed must be avaoided at all costs—would mean that the rate of inflation would rise to double figures by the summer and to 13 per cent by the end of the year.

This would mean that all the gains made in the fight against inflation over the past four years would have been lost.

It was by far the most sombre warning that the Chancellor has issued and it was heard in morose silence by the small number of Labour MPs present. It was seen as part of the continuing exercise by senior Ministers to try to persuade the trade unions to moderate wage demands that show alarming signs of heading towards a norm of 15 per cent.

He said a 15 per cent earnings increase would create formidable problems for the Government's fiscal and monetary policy, but the Chancellor emphasised that under no circumstances would the Government finance inflation by printing money. It would stick firmly by its monetary policy.

He believed it was above all because the financial markets had confidence in the Government's determination that sterling had remained strong through all the current industrial troubles.

Silkin farm price pledge could delay EMS

BY CHRISTOPHER PARKES AND MARGARET VAN HATTEM

MR. JOHN SILKIN, Agriculture Minister, last night sowed the seeds of further discord within the EEC Council of Ministers with a pledge to veto any attempts at the forthcoming farm prices annual review to raise the prices of any products in surplus.

His proclamation, on the eve of a key meeting with his Community colleagues in West Berlin, is likely to throw a spanner in the works of a pact between France and West Germany which is designed to smooth the way for the rapid introduction of the European Monetary System.

Mr. Finn Gundelach, Community Agriculture Commissioner, has already sketched the outlines of a stringent prices package for the new season.

But before presenting them formally, he wants talks with the nine ministers to sound them out on adjustments which are vital if Bonn and Paris are to lift their reserves on EMS and allow it to come into action.

France insists that monetary compensatory amounts (MCAs) on farm trade should be reduced and gradually phased out. But such changes, coupled with plans to reduce EEC farm surpluses, would bring a reduction in the prices paid to West German farmers for their produce.

In spite of vague assurances from Herr Josef Ertl, the German Minister, that he and his French counterpart, M. Pierre Mehaignerie "respect the rules," it is widely understood that the two have agreed to press for a 2.5 per cent increase in common farm prices. This in the face of the Commission's call for a complete standstill on most essential commodities.

For France, such an increase would bring a modest boost to farmers' incomes and at the same time monetary changes would cut export taxes on French agricultural exports.

For Germany, the 2.5 per cent rise would serve only to offset the reduction in MCA export subsidies, leaving farmers' incomes theoretically unchanged.

Without settlement of the Franco-German differences the EMS cannot come into operation.

Mr. Silkin's intervention comes at a crucial moment and could not only delay EMS indefinitely, but cause considerable hold-ups in the settlement of the annual farm price review.

Mr. Finn Gundelach, in West Berlin for the annual Green Week agricultural show, said last night that quarrels over

Continued on Back Page

Plan to close two shipyards

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS proposes to close its Haverton Hill shipyard, Teesside, and its ship repair yard at Falmouth, with the loss of more than 2,000 jobs.

The decision was discussed at a corporation board meeting yesterday. The Government has been notified.

The future of both yards has been in doubt because of poor labour relations and increasing financial losses.

British Shipbuilders would not confirm the plan last night but the matter has been considered by a ministerial committee, which appears to feel that the closures will be less difficult politically than several more sensitive closures under consideration.

They affect the Scotstoun yard of Govan Shipbuilders, Robb Caledon's two yards, on the east coast of Scotland, and much of the Scott Lithgow, Swan Hunter and Sunderland Shipbuilders groups. In addition, it is proposed to transfer production at Cammel Laird, Merseyside, to warship building.

Unemployment is heavy in all these areas and Parliamentary balances makes any early announce- about closures in Scotland unlikely.

At Haverton Hill, a series of disputes in the past year has prevented new work from being placed there. Some weeks ago the yard's draftsmen were suspended for refusing to co-operate with staff of another union.

Haverton Hill, which employs 1,350 men, has no work on hand. Its last ship, the New Zealand Star, left recently for trials.

British Shipbuilders has been wary about announcing the yard's closure because the ship might have been trapped in the yard.

The Falmouth Shiprepair Group employs 1,400 men and has suffered from repeated unofficial overtime bans. It is expected to lose £3.2m on a turnover of £6.4m this year.

It is not, however, short of work and is well placed for busy shipping routes and oil exploration in the south-western approaches of the Channel.

The Confederation of Shipbuilding and Engineering Unions has said that it will not accept redundancies, but British Shipbuilders has been allowed to shed 3,000 jobs since July 1977.

Shipyard managers union recognised Back Page

Carter says $ stability may take time

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE CARTER Administration has acknowledged publicly that it may take some time for the foreign exchange markets to regain stability.

The international section of the President's Economic Report, released here yesterday, contains an analysis of the dollar depreciation and market uncertainties of the past year.

It maintains that there was a "malfunction" of the markets adversely affecting the dollar last autumn, and that underlying factors are now moving in a better direction.

However, it states: "Such a calming of exchange markets maq take time, and may require considerable further efforts towards co-ordinating macroeconomic policies across countries.

"Excessive market sensitivity, built up during periods of disorderly movement, is likely to induce continued higher than normal variability in rate movements, until accumulated evidence of greater underlying stability becomes firmly established."

The report does not specifically state what co-ordinated international policies the administration has in mind. On a number of occasions, however, it refers to the achievements of the Bonn economic summit last summer concerning the growth policies of other nations.

It also maintains that the dollar support programme unveiled by President Carter last November has succeeded in removing much of the market uncertainty which was dragging down the dollar.

"In the period ahead, the value of the dollar should depend on sustained progress in the U.S. Trade and Current Accounts, and on the success of the new anti-inflation programme, rather than on the level of market uncertainty."

The report confirms that the impact on the domestic rate of inflation of last year's dollar depreciation was greater than previously estimated.

Mr. Charles Schultze, chairman of the Council of Economic Advisers, suggested that there would be some continued upwards price pressure in the first few months of this year as the effect of the depreciation penetrated.

In a separate testimony yesterday, Mr. G. William Miller, head of the Federal Reserve, estimated that the dollar's fall last year had added a full percentage point to the Consumer Price Index.

Mr. Schultze refused to predict what the dollar would do in the months ahead, but repeated that the Administration would do whatever was necessary to maintain a strong and viable currency. President Carter also emphasised this message in his preface to the report.

The report foresees reductions in West German and Japanese surpluses, and a more balanced distribution of surpluses and deficits throughout industrialised countries.

It notes, however, that expectations for the decline in the Japanese surplus are based primarily on the assumption that Japan's export volume will fall.

Details, Page 4

Japan trade surplus up

BY RICHARD HANSON IN TOKYO

JAPAN had a record trade surplus last year of $24.701bn (£12.35m) compared with $17.311bn in 1977, the Ministry of Finance said in a preliminary report yesterday.

The current account, which includes the deficit on invisible trade, was also pushed to a record surplus of $16.595bn compared to $10.918bn in 1977. But the size of the surplus, adjusted for seasonal factors, was considerably less in the later months of the year.

The export and import figures also indicate that much of the increase in surpluses, calculated in dollar terms, resulted from the approximate 20 per cent appreciation of the yen since December 1977. Exports were up 20 per cent to $95.571bn (down 6 per cent when calculated in yen) while imports rose 14 per cent to $70.870bn (down 11 per cent in yen).

The balance of payments surplus fell to $5.963bn from $7.743bn this was caused by a record increase in the outflow of long-term capital in the form of loans, yen bonds in Japan by foreigners and stepped up investment abroad. The long-term capital account deficit $12.184bn, compared with $3.184bn in 1977.

The government has successfully encouraged such capital outflows to reduce the payments surplus.

Details Page 3

£ in New York

—	Jan. 24	Previous
Spot	$1.9980-9990	$2.0012-003
1 month	0.53-0.48 dis	0.45-0.40 d
3 months	1.33-1.26 dis	1.19-1.13 d
12 months	4.10-3.95 dis	3.98-3.75 d

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FEATURES

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EUROPEAN NEWS

French unions encouraged by strikes in UK, Germany

BY DAVID WHITE IN PARIS

STRIKES in the UK and the recent West German steel dispute have spurred France's biggest trade union body to try to co-ordinate its action on a national scale with rival non-Communist unions.

M. Henri Krasucki, one of the leaders of the 2m-strong OGT, told a news conference that union leaders had been "encouraged" by labour developments in neighbouring countries.

The immediate goal was to force the Government and employers to reconsider their positions on the steel industry. The CGT, told a news conference with the exception so far of the moderate Force Ouvrière have called a national metalworkers' strike for mid-February in protest against 20,000 planned redundancies. The date for the 24-hour strike will be fixed next week.

In the meantime, shorter stoppages are planned in French steelworks. In the steelmaking towns of Lorraine the teachers' union has joined the protest movement, keping thousands of children out of school yesterday.

The CGT attacked the "phantom factories" which have been promised in the region—referring above all to 20,000 jobs which were foreseen by former Prime Minister, M. Pierre Messmer, after a meeting with President Valery Giscard d'Estaing last week.

M. Krasucki appealed for unity with other unions, especially the Socialist-leaning CFDT and the education union FEN. The CGT's relations with the CFDT have been at rock-bottom since the general election of March last year. Talks between the two unions in December showed up important disagreements, and their leaders are due to meet again in private next month.

M. Krasucki, who is also a member of the French Communist Party's *Bureau Politique*, said labour struggles should focus on "the most pressing and most accessible claims" giving emphasis to industrial action on the level of individual companies, then branches and regions, and on a national level "when necessary." This declaration of strategy comes much closer than before to the pragmatic approach adopted by the CFDT since the general election.

Action would for the moment be concentrated on the regions of Lorraine, Nord-Pas de Calais and the Loire. There was no other options in these regions than to fight to save the steel industry, M. Krasucki said.

He cast doubt on the Government's plan to promote new factories in these regions, mainly from the motor industry. So far, 11,600 new jobs have been earmarked in incentive backed plants. But M. Krasucki said the unions had been pressing for diversification for a long time before the steel crisis.

Austria may assemble Israeli fighter

By Paul Lendvai in Vienna

THE AUSTRIAN Federal Chancellor Dr. Bruno Kreisky has confirmed that the Israeli "Kfir" fighter aircraft may be assembled in Austria. The report is understood to have alarmed some Middle East diplomatic representatives who are concerned about the long-range implications of such a deal between Austria, a neutral country and Israel.

However Dr. Kreisky who is known for his opposition to Israeli policies and for his sympathy for the Palestinian cause, made it clear that at issue was the assembly of an "Austrian" and not of an "Israeli" fighter.

Furthermore the Chancellor stressed that the components for "Kfir" could come from the U.S. and France and only the know-how from Israel.

Austria plans to purchase 24 fighters. It is also reported that Austria would have a 70 per cent holding in the Austro-Israeli project.

Talks between the Austrian side and the Israeli Aircraft Industries (IAI) are said to be already in an "advanced" stage. The aircraft would be assembled in a plant at Wiener Neustadt in Lower Austria.

Comecon hails 30th birthday

By Roger Boyes

EAST EUROPEAN countries yesterday hailed the 30th anniversary of the founding of Comecon as an important contribution to world economic stability and used the opportunity to snipe at the European Economic Community.

The Soviet Union, East Germany and Bulgaria also described the 10-member organisation as a "dynamic force" which would bring together "the socialist commonwealth" — a clear reference to the Soviet-inspired attempt to secure a greater degree of integration in Eastern Europe. Romania, which barely mentioned the anniversary, made no reference to the phrase.

East German journals this week have contrasted Comecon with the EEC and have criticised Brussels for dragging its feet over attempts to normalise relations between the two groupings. The emphasis in the East European Press has been on stability of Comecon — with tacit references to the ructions in western Europe over the new European monetary system —and on its potential for development.

EEC OPINION POLL

The Commission's silent majority

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

DEEP IN the bowels of the European Commission, a small but dedicated group of opinion researchers has been working away for years, testing the shifting mood of Europe by putting to its citizens questions which national opinion polls seldom get around to asking.

Every three months or so, the pollsters sally forth with questionnaires designed to measure attitudes in each of the Nine EEC countries on issues such as the popularity of the Common Market, the development of EEC integration, and the importance of the forthcoming European elections. Their findings are duly reported in a publication entitled Euro-barometer.

Most of their findings that is. For this month the scientific seekers after truth unwittingly came up with answers to sensitive that they caused their politically-minded masters in the Commission to gulp, and promptly order the information to be suppressed. As a result, the latest *Euro-barometer* is somewhat thinner than it ought to be.

The missing pages contain the first EEC-wide survey of how voters intend to cast their ballots at next June's European elections. In particular, these show that in France the Socialists are likely to pick up almost 40 per cent of the popular vote and the Communists 11 per cent, while President Giscard d'Estaing's Republicans and the Gaullists will muster barely more than 30 per cent between them.

Even though the sample on which the findings are based was taken four months ago, France's two Commissioners M. Francois-Xavier Ortoli and M. Claude Cheysson insisted that the political situation in their own country was far too delicate to absorb such controversial news. Their 11 colleagues, quailing at the thought of a rumpus with the Elysée Palace, hastily agreed.

The poll also finds surprisingly strong support in Italy for the small Socialist party. It is expected to win almost 24 per cent of the vote, second only to the Christian Democrats with 37 per cent, while the Communists are relegated to third place with 22 per cent.

In Britain, the poll gives a slight edge to the Conservative and Unionist parties, with 46 per cent, over Labour, the Northern Ireland Labour Party and the Social Democratic Labour Party, with 44 per cent.

Italy labour protest over killing

BY RUPERT CORNWELL IN ROME

AS ITALY'S political parties faced up to the probable collapse of the minority Christian Democrat Government, workers up and down the country went on strike yesterday in protest at Wednesday's killing of a Communist shop steward in Genoa.

The two-hour stoppage was a measure of popular outrage at the first killing of a trade unionist in Italy. The indignation is likely to reach a climax on Saturday, when Sig. Guido Rossa is buried in the presence of Sig Enrico Berlinguer, the Communist leader, and the heads of Italy's main trade unions.

Such has been the protest that there are signs of uncertainty among the Red Brigades themselves, universally presumed responsible for the murder of a man who last October helped identify a sympathiser of the terrorist organisation at the Italsider steel plant in Genoa.

This latest manifestation of the renewed terrorism now gripping Italy has heightened tension sharply on the eve of the crucial meeting of leaders of the five parties in the Parliamentary majority keeping Sig. Giulio Andreotti, the Prime Minister, in office.

Although continuous back-stage efforts were being made yesterday to prevent the present impasse leading to an early general election, the expectation last night was that the talks would end with the formal withdrawal of Communist support.

This in turn would sound the death knell on Sig. Andreotti's 10-month old Government. The efforts on the parties are now directed towards finding some alternative formula to fend off so premature an end to the current Parliament.

Should events follow this course, the likely timetable is for the Prime Minister to make a brief Parliamentary appearance on Monday. After the withdrawal of Communist support, he would hand in his resignation to President Sig. Sandro Pertini. Fear of uncertainty over subsequent events offers the hope that an eleventh hour formula can be found.

Dutch chemical groups expect another difficult year

BY CHARLES BATCHELOR IN AMSTERDAM

LEADING DUTCH chemicals companies foresee little easing of the industry's problems in 1979. Prices may be firming in some sectors but raw material costs are also starting to rise, according to the views of senior executives in the industry.

Union demands for a shorter working week and the difficulty of filling vacancies are two of the industry's main preoccupations. Work can only be shared out among a larger work force if those already in employment are prepared to help finance this, Mr. J. A. P. Montijn, president of Shell Nederland said. Neither industry nor the Government can afford to finance shorter working, he said in comment reproduced in the Chemical Industry Association's magazine.

Dow Chemical Nederland said a forecast for 1979 was difficult. The price of oil was due to rise but overcapacity and Government support for industry elsewhere in Europe meant end-product prices would not rise sufficiently, board member Mr. M. W. Bigger said. Dow was able to maintain production volumes in 1978.

DSM expects to make "not inconsiderable" losses this year after the 1978 result "approached the nil point." DSM is affected more than the average European producer because most of its plant is based in Holland, where costs are high, executive board chairman Mr. Wim Bogers said.

ICI Holland expects that, despite higher oil prices, volume sales will recover slightly, and hopes that prices will rise in line with costs. The 1978 result was better than the year before but the company's modest expectations were not met.

Hoechst Holland appears to be the most optimistic of the chemical majors operating in Holland with its expectation of a continuing improvement in the operating result of the company as a whole and also of the sales division. The result was only moderately positive last year but this was still an improvement on 1977.

Shell Chemie had a disappointing year in 1978, Mr. E. Meinsma, managing director, said. Sales volumes rose slightly but lower prices wiped out any improvement. Esso Chemie's financial result was less favourable than in 1977 despite an improvement in operating levels, and a further worsening is expected in 1979, Mr. J. K. Boe, chief executive, said.

Gist Brocades achieved an average 90 per cent use of capacity in 1978 although profits at around 2 per cent of sales of more than Fl 1bn ($500m) were too low. The contribution to profits by companies outside Holland is rising while that of domestic companies is falling.

Spanish wage claims settled within norm

By Robert Graham in Madrid

AS SPAIN continued to be affected by wide-ranging wage disputes, there are signs that the Government's 14 per cent ceiling on increases, imposed by decree, is holding. Chrysler, a key employer in the highly unionised motor industry, has had a 14 per cent pay offer accepted after an eight-day strike and Madrid refuse collectors have accepted a 13 per cent offer by the municipality after a two-day stoppage.

Yesterday strikes were still continuing in the Madrid engineering industry and in parts of the motor industry. But these two settlements, coupled with an earlier national railways settlement, confirm the impression that the trade union leadership is anxious to observe the pay norm.

Union officials have said privately that an important objective of their strike action over new wage claims is to demonstrate their strength both to the employers and the Government. It also seems the leadership of the two main union organisations—the Communist-controlled Confederation of Workers Commissions (CCOO), and the Socialist General Workers Union (UGT)—have sought, through industrial militancy, to head off criticism by the more radical rank and file of co-operating too closely with the Government.

The unions, it is suggested, have deliberately sought to emphasise non-wage aspects in their new agreements. Thus, in the new Chrysler agreement, the company has accepted that senior workers need not work night shifts, that some 300 new jobs will be created, that the number of hours worked annually be cut to 1,920 hours (just under 38 hours per week) and that 92 employees be allowed time off for union activity. The company will also supply more information on its activities.

W. German steel orders improve

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S iron and steelmakers have reported a small increase in orders for rolled steel finished products during December—a lacklustre epilogue to a lacklustre year. Even so, it was a better performance than in November when bookings remained steady at the previous month's uninspiring figure.

One note of encouragement came in the form of a 9.9 per cent increase in orders from domestic consumers — the industry's largest customer. Home bookings went up by about 100,000 tonnes to just over 1.13m tonnes and were the sole reason for the 3.7 per cent increase in total orders, which rose from November's 1.72m tonnes to more than 1.74m tonnes.

Bookings from other customers in the EEC, which have been poor throughout the year, weakened further. They dropped by 14.7 per cent from the previous month's 176,000 tonnes to 150,000 tonnes. At the same time, bookings from third countries, including the U.S., declined by 1.2 per cent to 500,000 tonnes.

The figures—which do not include those for semi-finished products, hot-rolled broad strip and special steels—show, however, that the industry had a rather better year than in 1977 when it plumbed the depths of the current recession.

Socialist union challenges Communist domination of Portuguese workforce

BY OUR LISBON CORRESPONDENT

THE FIRST congress of the General Union of Workers (UGT), which begins in the northern capital Oporto tomorrow is expected to confirm the creation of an alternative to the Communist domination of the Portuguese labour movement.

The congress will be the UGT's first public show of strength since it was formed last October with the moral and financial backing of the Portuguese Socialist Party, and with the tacit support of the Social Democrat (PSD) and Christian Democrat (CDS) parties.

It has taken several months for Portugal's two centre-right parties to take up a position of open co-operation with the Socialists on union matters, mainly because of their divisions within Parliament. The new alliance, however, is expected to be symbolised this weekend by the presence at the same congress of the Socialist leader Sr. Mario Soares and the Social Democrat leader Sr. Francisco Carneiro.

The UGT has been founded around a core of 49 unions and three worker federations which between them represent an estimated 450,000 workers. UGT officials claim that in addition some 200,000 non-unionised workers have joined the trade union since its formation.

Until now the main source of UGT strength has been among white collar workers, and earlier this month it won control of the 75,000-strong Lisbon office workers union, the richest and among the most influential unions in Portugal.

The Communist General Confederation of Portuguese Workers (CGTP-Intersindical), however, still claims to control over 220 unions, an estimated 1.6m workers out of a total work-force of 3.2m.

Finland sees forest product export growth

By Lance Keyworth in Helsinki

THE CENTRAL association of Finnish forest industries predicts an export volume growth of about 5 per cent in 1979. The increase in value will be "somewhat higher" than it was in 1978 as no essential change is expected in the international prices of forest products.

In the past fiscal year Finnish forest industry exports increased 18 per cent in volume, while the value rose by some 20 per cent from FM 12bn to FM 14.5bn (roughly £1.8bn). The production capacity utilisation ratio rose by 10 per cent to 80 per cent.

However, Mr. Lauri Kirves, Managing Director of the central association, warned against over-optimism.

U.S. optimistic over N-test ban treaty

BY BRIJ KHINDARIA IN GENEVA

MAJOR DIFFICULTIES remain in the path of an international treaty banning chemical weapons, but the outlook for a separate pact to end nuclear testing is more positive, according to Mr. Andrew Fisher, the United States disarmament negotiator.

Delivering the first U.S. policy statement to the disarmament conference which began a 10-week session here, Mr. Fisher said U.S. and Soviet positions were close enough to raise hopes for a comprehensive test ban treaty.

The outlook for a British sponsored treaty to outlaw chemical weapons has run into difficulties. However, the Russians have been more amicable to U.S. suggestions of an accord banning the use of radiological weapons which produce destruction through radioactivity without a nuclear explosion.

Mr. Victor Israelyan, the Russian negotiator, warned the 40-nation committee against a continuing international arms build-up under "far-fetched and artificial pretexts." He did not echo the U.S. optimism about the state of bilateral negotiations and instead urged the committee to study a Soviet proposal to ban the use of neutron weapons.

Mr. Fisher said that the separate strategic arms limitation talks (SALT) should be seen as just a step in a far-reaching nuclear control process.

Romania, among the Warsaw pact nations, again took an independent line from the Soviet Union yesterday. Among other things, it insisted that the disarmament committee should ensure that its members can participate as free and equal nations without pressure from military blocs.

THE PORTUGUESE STEEL INDUSTRY

A cautious expansion

BY JIMMY BURNS IN LISBON

AN AMBITIOUS plan to modernise Portugal's steel industry has been given the green light by the Portuguese Government and the EEC. Although a few difficulties concerning the financing of the scheme still need to be ironed out before final approval can be given, the acceptance in principle of the plan by the EEC has been well timed to coincide with the resumption this month of Portugal's membership negotiations in Brussels.

An important hurdle was cleared at a meeting here last week between Government officials, including Sr Alvaro Barreto, the Minister for Industry, and an EEC delegation led by the Vicomte Etienne Davignon, the Industry Commissioner.

Portuguese officials have in the past tended to look with apprehension on the Davignon plan to slim down the European steel industry by phasing out older, smaller, and less profitable plant.

The country's two existing steel works, belonging to the nationalised company, Siderurgia Nacional, are worn and aged. Last year's total steel imports were estimated to have been in the region of 10bn Escudos ($220m), or 10-12 per cent of total imports, after foodstuffs and oil. Total losses for Siderugia in 1977 (last figures available) are believed to be in the region of 1bn Escudos ($22m).

The main argument behind the steel plan appears to have cut ice with the Commission. Essentially the scheme emphasises that Portugal remains one of the few European countries which still has a potentially dynamic growth rate in steel consumption, and that this can best be covered through an extensive exploitation of the country's existing mineral resources and considerable investment in new machinery. The average raw steel consumption per capita in Portugal is 130 kg, only a fifth of the European average. According to the plan this figure for Portuguese consumption will increase to about 300 kgs by 1990.

The country's iron resources are to be found at Moocorvo in the north-east of Portugal and in the Alentejo in southern Portugal. Both these are areas of traditional emigration because of lack of job opportunities, and regional under-development. This in itself is an added reason for pushing ahead with the plan.

As for future investment, the national steel plan considered by the Portuguese Government of Sr. Carlos Mota Pinto is less adventurous than the 1976 draft drawn up under the minority of Dr. Mario Soares and appears to have bent over backwards to fall in line with some of the discipline favoured by M. Davignon.

Thus the plan has shelved an originally projected 60bn escudos investment in a new integrated steel plant to produce flat rolled products at Sines, the huge industrial complex to the south of Lisbon.

In the current state of the international industry, even the more optimistic Portuguese officials accept that the production of flat rolled products is already above a realistic capacity. The project has, therefore, been postponed until the 1990's when it will be reviewed. Dropping of the Sines project has not been without its social costs since some 8,000 new jobs were orginally set to be created by the plant.

It is hoped that the sacrifice will be offset by a $700m investment which will improve the competitiveness of the plant at Seixal, near Lisbon.

The project will concentrate on producing long-rolled products which at present account for some 55 per cent of total steel consumption in Portugal. As the plan puts it, such a scheme is expected to bring the Portuguese steel industry over the next few years closer into line with "Portugal's future adhesion to the EEC."

The former Industry Minister and the current managing director of Siderugia Nacional, Sr. Bayao Horta who is the author of the plan is hoping that over 50 per cent of the Seixal project will be financed in equal parts through export and domestic credits, and increased equity in the nationalised steel company. Effectively this will mean quadrupling the company's present capital of $20m, a measure that Sr. Horta hopes to be included in next month's budget for 1979.

According to the present plan ten per cent of the investment will be covered by direct foreign loans.

Clearly one of the main factors delaying a final decision on the financial scheme is the scheduled arrival here next month of the IMF "policemen" and what is expected to be an accompanying demand for a more stringent selectivity of credit. A further credit squeeze similar to that experienced by most Portuguese public companies last year could force Siderugia Nacional into an increasing reliance on external sources of finance.

Nevertheless Sr. Horta is hopeful that the remaining hurdles could be overcome by the end of this month and that first orders for the machinery needed for the Seixal project could be placed by March. Orders worth $220m are expected to be drawn from a number of European countries, including Britain.

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Delay of Khomeini's return dismays top Moslem clergy

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

SENIOR MOSLEM clergy in Iran were dismayed and concerned by Ayatollah Ruhollah Khomeini's decsion to delay his return and although they advised their supporters not to react violently, they feared there may be disturbances.

Coinciding with the first large-scale appearance of anti-Khomeini demonstrators in Tehran, attacks on property in the University area—a well-known opposition stronghold—took place.

After confusion as to whether the airport was closed or open on Wednesdays, the military Governor of Tehran, General Rahimi, issued an order late on Wednesday night confirming that it was closed until midnight on Saturday. A Swissair aircraft did, however, land and take off with passengers yesterday.

Senior members of the clergy have confirmed for the first time that they are negotiating with the military about Ayatollah Khomeini's return. They say that the talks started a few days ago and are still continuing but do not say how the talks are progressing and whom they are meeting.

Two executive members of the newly-formed religious council, set up in Tehran said yesterday that the Government of Dr. Shahpour Bakhtiar was postponing the Ayatollah's arrival, desperately hoping that some accident or event would prevent him coming back to Iran. The authorities, they said, had decided to close the airport to give themselves time to find a solution.

It is not certain how much initiative is being taken by the Army independently of Dr. Bakhtiar, who had earlier sent a letter to the Ayatollah Khomeini asking him to postpone his arrival. The letter, published yesterday, warned of trouble between rival groups if the Ayatollah, the most prominent anti-Shah leader even during his 15-year exile, returns.

There was a big demonstration, estimated at 100,000 people, in Tehran yesterday by a group claiming to represent the silent majority backing Dr. Bakhtiar and adherence to the constitution. Although many middle class Iranians would indeed support such an approach in theory, persistent reports alleged that soldiers in civilian dress and their families made up a large part of the crowd. The demonstration passed off without serious incident but, later, organised pro-Shah gangs numbering some 2,000 to 3,000, rampaged through the University area.

● **David White in Paris adds**

The Ayatollah Khomeini has put off his planned return to Iran by three days until Sunday because of the closure of Iranian airports. No aircraft could be found to take him in defiance of the Iranian Government's action.

Air France confirmed yesterday that it was studying the request made by Ayatollah Khomeini's entourage to charter one of its aircraft.

Rand proposals welcomed

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN bankers and business leaders have welcomed the recommendations of the de Kock Commission on the exchange rate of the rand and the liberalisation of foreign exchange markets. Concern has been expressed, however, that there will be lengthy delays in implementing the proposals.

The broadening of the securities rand system to include all forms of direct investment from abroad has met with general approval. Mr. Rob Abrahamsen, chairman of the Clearing Banks Association, said that he believes there is a good deal of potential investment interest abroad, particularly in western Europe. Mr. Raymond Parsons, director of the Association of Chambers of Commerce, added: "There are people who think that the new dispensation will make South Africa a more attractive place to invest in. And some of them will put their money where their mouths are."

A more cautious note has been sounded by Mr. Aubrey Dickman, economic consultant to the Anglo American Corporation. Mr. Dickman warned that "these changes may not be enough unless you make the whole investment package more attractive." He added that the introduction of flexibility into the exchange rate system should be followed by changes in other parts of the economy, such as labour relations.

Development plans for Rhodesia

BY TONY HAWKINS IN SALISBURY

RHODESIA yesterday published a five-year public sector development programme forecasting state spending on development of £2.5bn over a five-year period. The plan is based on the assumption that after majority rule elections Rhodesia will be readmitted "into the comity of nations," that the guerrilla war will end, and that economic sanctions will be lifted.

The programme assumes that the incoming black government to be elected at the April majority rule elections will be able to borrow abroad in international capital markets and also obtain aid from international aid agencies.

It identifies four "sources" of finance. These are: "Special projects and own resources" which refers to the commercial operations of major public utilities such as the railways, the electricity authorities, the national airline and the posts and telecommunications corporation. This is scheduled to provide nearly £900m in capital in the form of supplier credits, specific borrowings related to import content and international borrowing on commercial terms. The transitional government hopes to raise £675m from international aid agencies over the five years, most of this being earmarked for education and rural development. Some £730m would be raised in domestic capital markets and from national budget contributions while the balance of around £290m would come from recurrent contributions from the annual budget.

The main thrust of the programme lies in the realm of rural development with the plan postulating state spending £525m being earmarked either for rural development or for agricultural support services including roads and land development in the tribal areas and major new irrigation projects. The largest single project envisaged is the deferred plan to establish a thermal power station at Wankie Coalfield at a cost of some £340m. There are plans too for new hydro electric power projects to be developed along the Zambesi River in co-operation with the Zambian Government.

The plan is to be put to the incoming nationalist government due to take office after the April 20 elections. No date is given for its introduction but it is assumed that year one of the plan will start in July 1979 which is the Government's 1979-80 fiscal year.

Rhodesia experienced a record net loss of 2,771 Whites through emigration during December—170 per cent more than in December, 1977—according to official statistics released yesterday, Tony Hawkins writes from Salisbury. During 1978 a total of 18,069 white Rhodesians emigrated and there were 4,360 new White immigrants to give a net exodus over the year of a record 13,709, up 26 per cent from 1977.

These figures mean that the country's white population fell by nearly 5 per cent last year to an estimated 250,000, against the peak 278,000 at end-1975.

Some progress reported in Mideast talks

SOME PROGRESS has been made on one aspect in the disputed areas of negotiations between Egypt and Israel, according to Mr. Alfred Atherton, the American special envoy to the Middle East yesterday. However, this did not involve the crucial issue of linkage between an Egyptian-Israeli treaty and the question of Palestinian self-rule.

Mr. Atherton's talks had made progress on the controversial section six of the draft peace treaty. Egypt had demanded an interpretation which would allow her the right to defend her Arab neighbours

Mr. Atherton reiterated that the U.S. intends playing a full part in the negotiations between Egypt and Israel.

The semi-official newspaper al-Ahram reported that Egypt's position remained unchanged.

"We are holding firm to our position which the U.S. supports," the newspaper quoted Dr. Boutros Ghali the acting Foreign Minister as saying.

The newspaper also reported that President Sadat met American ambassador Hermann Eilts on Wednesday and asked him to convey a verbal message to President Carter.

It said Mr. Sadat's message dealt with Egypt's views on the latest developments in Iran and the Middle East Peace negotiations.

Bhutto's economic policies 'aimed to boost patronage'

BY CHRIS SHERWELL IN ISLAMABAD

PAKISTAN'S military Government yesterday attacked Mr. Zulfkar Ali Bhutto, the deposed Prime Minister, and his regime for causing the near-collapse of the economy in the period before the July, 1977 coup which ousted him from power.

In the third of a four-volume series being published ahead of the Supreme Court's judgment on Mr. Bhutto's appeal against the death sentence, the Government said that Mr. Bhutto's policy of nationalisation was intended to break the economic potential of any possible political opposition and to give the Government more patronage, resources and employment opportunities.

The 80-page document says that nationalisation of the country's agriculture-based industries led to a complete paralysis of investment activity. It also says that in its monetary and fiscal policies the Bhutto regime's increasing reliance on monetary creation and foreign assistance, and a significant decline in the savings rate, badly damaged the economy.

Mr. Bhutto's much-vaunted land reforms, it says, were impaired by "leakages in implementation, deliberate flouting of the law by influential landlords belonging to the ruling party or otherwise favoured, and arbitrary application of the law to suit the political interests of the rulers or to carry out Mr. Bhutto's will."

However, the document overall is less an attack on Mr. Bhutto himself than on the mismanagement of the economy which occurred under his rule.

Zambia maize shortfall forecast

BY MICHAEL HOLMAN IN LUSAKA

CONTINUING DROUGHT may cause a 225,000-tonne shortfall in Zambia's annual requirement of 540,000 tonnes of maize, say Agriculture officials.

If the forecast is correct, the country will run out of home-grown maize—the staple diet—by April, 1980, with the following season's crop not due until July or August.

Thus there is a growing likelihood that Zambia will have to import maize at a cost of some $30m if it comes from South Africa or double that amount if the source is the United States. Complicating factors include an acute shortage of foreign exchange and congested transport routes.

$40bn defence expenditure by Moslem nations

By Reginald Dale

MOSLEM COUNTRIES spent approximately $40bn on their regular defence forces last year, according to the new Islamic Institute of Defence Technology, set up in London this week.

On the basis of spending in recent years, there was no doubt that the defence build-up in the Moslem world would continue for many years.

Announcing the establishment of the Institute, Mr. Salem Azzam, its president, said that the 41 Moslem countries had more than 3.5m men under arms. Together, they had more tanks and aircraft than the whole of the North Atlantic Treaty Organisation excluding the U.S.

The Institute intends to advise Moslem Governments on their defence purchases and to inform Western nations of Islamic thinking on defence. Its first major initiative is a five-day conference at Heathrow Airport next month, which it hopes will be opened by President Mohammed Zia-ul Haq of Pakistan.

Fraser India visit

NEW DELHI—Prime Minister Malcolm Fraser of Australia arrived here yesterday for the start of an official eight-day visit and began talks on regional and bilateral issues with Prime Minister Morarji Desai. AP

Japan aims at 1985 current account surplus of Y1400bn

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN expects to be in equilibrium on its basic balance of payments but to be running a current account surplus of between Y1,400bn (£3.53bn) and Y1,500bn by 1985, a senior Economic Planning Agency official said yesterday.

This figure is not greatly different from the current account surplus target for 1979. The 1979 projection, however, has been widely regarded as an optimistic guess with actual trends pointing towards a somewhat higher figure.

The Government apparently hopes that the current account surplus will fall steadily from 1979 until the early 1980s before turning up slightly to the Y1,400bn-Y1,500bn level by the middle of the decade.

This level would be acceptable to the rest of the world, it is believed, if Japan's overseas aid has risen to levels which compare favourably with the performance of other Organisations for Economic Co-operation and Development member countries by or before the mid-1980s.

The forecast of a Y1,400bn ($7.1bn) surplus compares with the projection of a $4bn current account surplus for fiscal year 1980, which was included in Japan's last long-term plan (published in 1976). It has become increasingly clear during the past year that the 1976 plan understated the probable size of the 1980 surplus.

The new figures for Japan's payments performance in 1985 appear (in yen terms only) in the preliminary draft for a new seven-year economic development plan covering 1979 to 1985, which was approved by the Cabinet yesterday.

The plan puts Japan's gross national product in 1985 at Y315,000bn in constant 1978 prices, which implies an annual growth rate for the economy of slightly less than 6 per cent a year from the figure of Y211,800bn projected for the current fiscal year.

The introduction to the draft plan recalls that Japan's growth rate was set slightly above 6 per cent in the 1976 plan, which was itself "somewhat more conservative than hitherto." This, however, turned out to be unattainable in spite of "extraordinary efforts" by the Government to realise the target figure.

Apart from laying down numerical guidelines for economic growth, the new draft plan suggests various policy targets for Japan to follow over the next seven years. The principle target is to achieve full employment combined with price stability by the middle of the decade.

Another aim (listed third in the plan's order of priorities) is "co-operation and contribution to the development of the world economy."

Mao backers under fire

BY COLINA MACDOUGALL

NEW EVIDENCE is rapidly accumulating to show that China's senior Vice-Premier Deng Xiaoping (Teng Hsiao-ping) is greatly strengthening his position at the expense of leaders formerly appointed by Chairman Mao.

Attacks this week in the People's Daily on Kang Sheng, now dead but in the early 1970s in charge of public security, appear to threaten Wang Dongsing (Wang Tung-sing) who today is believed to have overall responsibility for the same area. Wang, once Mao's bodyguard and now one of China's top six, has for some months appeared to be slipping.

Even Chairman Hua Guofeng (Hua Kuo-feng) himself could be involved since he was Minister of Public Security and an associate of Kang's in the early 1970s. Significantly these attacks follow a call by a provincial official for freedom to criticise leaders.

In the last month three new top provincial party leaders have been appointed, all apparently supporters of Deng. That leaves only two provinces out of 29 with the same leaders as before the death of Mao.

An important military switch in which the commanders of the Wuhan Military Region and the Kunming Military Region exchanged posts, revealed last Monday, suggests a strengthening of the civilian bureaucracy, and thus of Deng's hand, as opposed to the military, since transferred army leaders leave behind the subordinates whose loyalty they have cultivated.

AMERICAN NEWS

MEXICAN PRESIDENT TALKS TO THE FT

Lopez Portillo denies oil 'blackleg' threat to OPEC

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO will not use the huge increase in its oil production to become a "blackleg" to the Organisation of Petroleum Exporting Countries. Neither does its growing output represent a threat to the cartel. This was stated by Sr. Jose Lopez Portillo, the President of Mexico, in an interview with the Financial Times yesterday.

The Mexican president also denied reports that Mexico was under pressure to join OPEC and added that he could not envisage any circumstances under which it would join. It sold its oil at prices slightly higher than OPEC's and would continue to do so, he added.

The President confirmed that Mexico will attend the March meeting in London between a top OPEC delegation and non-OPEC oil producers, but only as an observer.

The March meeting could have an important bearing on future world oil prices and on future co-operation between the State oil companies in OPEC and non-OPEC countries. Pemex, the Mexican State company, is officially estimated to have 200bn barrels of potential oil reserves. Unofficial estimates put them considerably higher, perhaps in excess of those of Saudi Arabia.

On the controversial question of Mexico's future oil production ceiling after the target of 2.25m barrels a day is reached in 1980, Sr Lopez Portillo reaffirmed that this will be held at 2.25m, at least during his term of office, which expires in 1982.

However he said that it was not "improbable" that production could rise to as much as 4m barrels a day by 1985. He thought 4m barrels was excessive, although not technically impossible to achieve. The main problem, Sr. Lopez Portillo said, was that excessive oil revenues could overheat the economy. The oil money had to be used extremely carefully. The production figure would depend on Mexico's financial needs which could not yet be determined.

Sr. Lopez Portillo said that Mexico was particularly interested in technological exchange with Britain and learning from its North Sea oil experiences.

Dr. Dickson Mabon, the minister of State for Energy, who was in Mexico recently, said that Britain was interested in importing Mexican heavy crude in exchange for British light light crude. Britain is also interested in receiving Mexican uranium and in helping Mexico to develop its coal fields. Asked whether Mexico would sell natural gas to the U.S. when President Carter comes here in February 14 Sr. Lopez Portillo said that Mexico did not need to sell its gas, as it could all be used in its new national pipeline system.

He said that the U.S. would always be Mexico's natural client for oil and that if there was a surplus then gas could be sold to its nothern neighbour. Negotiations to sell gas to six U.S. gas distribution companies broke down at the end of 1977 after the U.S. Energy Department vetoed the price of $2.60 per thousand cubic feet.

Sr. Lopez Portillo described Mexico's relations with the U.S. as "normal" and that the only problems were "structural and traditional ones." There was a need for more decisions which affected Mexico to be taken bilaterally, and not by the U.S. without consulting Mexico.

Sr. Jose Lopez Portillo

Carter administration likely to support labour law reform Bill

BY JOHN WYLES IN NEW YORK

THE CARTER administration is expected to support fresh legislation aimed at reforming U.S. labour law in an attempt to mend its tense and uneasy relations with the trade union movement.

The impetus for a new labour law reform Bill—the last died under the crushing weight of a Senate filibuster last July—comes from the "peace making" meeting on January 12 between the President and Mr. George Meany, the 84-year-old president of the American Federation of Labour-Congress of Industrial Organisations.

The meeting was billed as an attempt to heal the rift which had been stretched to a yawning chasm by the AFL-CIO's rejection of Mr. Carter's wage and price guidelines.

No statement was issued after the hour-long session but a spokesman for the AFL-CIO confirmed this week that a new labour law reform Bill will be sent to the Congress this year with Administration backing. The contents of the Bill will obviously determine its prospects but anything resembling last year's legislation looks likely to spark the same fierce and extensive lobbying by business which eventually helped its demise.

Loss of the Bill was a bitter pill for labour which attached probably exaggerated importance to its provisions aimed at helping unions' recruiting activities and their battles for recognition by employers.

The AFL-CIO executive council will decide at its quarterly meeting next month whether to rehash last year's Bill in its original form or whether to frame a less controversial version with fewer punitive clauses directed at recalcitrant employers.

Mr. Heath Larry, director of the National Association of Manufacturers, told the Financial Times that anything resembling the original would encounter the same determined opposition from business.

But more likely to push the AFL-CIO towards a weaker version is the fact that last year's November elections have left Labour with certainly three and possibly five fewer supporters in the Senate. Since it could not muster enough votes to break last year's filibuster, its chances of doing so this year look even more remote.

Mr. Larry speculated that a new effort to amend labour law might have been part of a deal in which Mr. Meany agreed to soften his criticism of pay restraint. This may be so but Mr. Meany's angry and disappointed reaction to Mr. Carter's budget with its restraint on social welfare spending indicates that the relationship is still far from harmonious.

Government denies repression claims

By Our Mexico City Correspondent

THE MEXICAN government in an unprecedented Press conference on Wednesday denied the allegations by human rights groups that 314 people have "disappeared" for political reasons. But the Government's investigations have not satisfied the Left wing Opposition parties which still maintain that there is political repression.

The Government has maintained a stony silence on the sensitive issue until now and the fact that Sr. Oscar Flores, the Attorney General, decided to answer the allegations only two days before the arrival here of Pope John Paul II is seen as an attempt to stem a possible debate on the situation by civil rights groups during his visit. Sr. Flores said that the timing of the news conference was mere coincidence.

Mexico, compared with other countries in Latin America where human rights are flagrantly denied, enjoys a fairly good record. But Opposition parties insist that the situation is not what it should be as the Government struggles to set in motion political reforms aimed at opening up a fossilised system dominated for 50 years by the Institutional Revolutionary Party (PRI).

Legalised parties

The Government last year legalised several Left-wing parties including the Communist party which this year for the first time will take part in the Congressional elections. The parties say that they are still being persecuted, although not so strongly as under the previous Government.

Sr. Flores said that the Government had just finished its own investigations. They showed that of the 314 cases of missing people investigated, 154 died as a result of confrontations with the police and army. Si people were known "subversives" and were in hiding and 18 people had been killed by their own illegal groups for being traitors.

A further 20 had died in fights between antagonistic groups, two while trying to escape from prison and one while he tried to set off a home-made bomb.

Despite Sr. Flores' explanations, the Left wing parties are still pointing to a series of incidents which they say illustrate "the other side of the so-called political reform."

The latest concerns Sr. Ramiro Bautista, a lecturer in constitutional law at the Metropolitan University here and a member of the Mexican Workers' Party. Shortly before the New Year he was kidnapped from outside his home and held incommunicado for six days while he was questioned on his doctorate on the Mexican army, in which he served for 16 years.

Army denounced

The thesis, part of which was published in the liberal magazine Proceso, along with comments by Sr. Bautista, denounces the army for its repression and alienation from the people.

"I was picked up and put in a red and grey van which had no licence plates." Sr. Bautista told me, "and taken blindfolded and tied up to an unknown place. There I was repeatedly questioned about the magazine article." After six days he was dumped in the city.

Sr. Bautista believes that the Brigada Blanca (White Brigade) was responsible for the incident. The organisation was formed several years ago from military and police bodies as an anti-guerrilla group.

Sr. Bautista was released uninjured. Many others, according to the committee in Mexico for political prisoners and missing persons, have not been so lucky. Sr. Bautista is well known and political parties campaigned for his release. "That's probably why I was set free," he considers.

'Crisis of existence' for Canada

By Victor Mackie in Ottawa

CANADIANS face not just a crisis of development, but a crisis of existence, in which the reasonably effective governing of the country is at the point of breakdown over national unity, a Government task force reported yesterday.

The task force, set up to report on ways to reconcile the French and English communities, stressed the need for fundamental reform

In a 150-page report, it called for a referendum on proposed changes to the constitution. It said a new constitution or constitutional amendments would require a majority vote in each of Canada's four regions—the Atlantic region, Quebec, Ontario and the Western Provinces.

Congress considers bank reserves law

BY STEWART FLEMING IN NEW YORK

THE U.S. Congress is examining legislation on bank reserves which would reinforce the power of the Federal Reserve Board and shift the balance of competition between banks and thrift institutions.

Although the proposals before the Senate and House Banking Committees appear on the surface to be technical, bankers are in no doubt about the fundamental changes which could follow if some form of the legislation passes.

In testimony before the House Banking Committee, Mr. William Miller, the Fed chairman, has given general support to the proposed legislation, which is in some ways similar to legislation the Fed backed a year ago.

In general terms, the Bill provides that, for the first time, the larger thrift institutions, savings and loan associations, credit unions and savings banks, would be required to keep non-interest-bearing reserves at the Fed. The major commercial banks would also be subject to the same requirements, some for the first time, since at present only those which are Federal Reserve members are subject to reserve requirements.

The proposal says such institutions, with over $50m in transaction accounts, like demand deposit accounts, will have to keep reserves of between 8-10 per cent with the Fed.

In addition, the commercial banks will have to keep specified reserves for savings accounts and certificates of deposit at the Fed,

Meagre productivity upsets U.S. growth forecasts

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE NEGLIGIBLE growth in U.S. productivity is not only making control of inflation more difficult, but has induced the Carter Administration substantially to lower its estimates of the potential expansion of the economy.

President Carter's economic report—the details behind the budget which was released here yesterday—said that last year productivity in the non-farm economy grew by a meagre 0.6 per cent.

This was appreciably less than had been forecast and has persuaded the Administration that the long-term growth in productivity has now declined to 1.5 per cent a year, down from the previous estimates of just under 2 per cent. The economic report doubts that even this lower figure will be met this year.

As a result, over the next five years, the Administration is projecting that the potential growth in the economy has dropped to 3 per cent a year, compared with its most recent assumptions of 3.5 per cent and the 4 per cent that was reckoned a few years ago.

The economic report fails to find special factors to explain last year's particularly poor record. It notes all the standard reasons—changing composition of the labour force, lower research and development expenditure, the impact of government regulations, the declining capital-labour ratio—and bemoans the inadequacy of some statistics. But it concludes simply that the decline in productivity is disturbingly widespread.

The report concedes that this phenomenon has made it easier to bring down the rate of unemployment. Under its previous assumptions, last year, with a fourth quarter on fourth quarter real growth of 4.25 per cent and a 3.5 per cent growth of potential output, ought to have reduced unemployment to only 6.3 per cent from 6.6 per cent in the event it came down to 5.8 per cent.

This also serves to explain why the Administration believes that the rise in unemployment this year can be kept to modest levels in spite of slower economic growth. It is projecting an increase to only 6.2 per cent, whereas many private economists are forecasting a year-end rate of closer to 7 per cent.

Mr. Charles Schultze, chairman of the President's Council of Economic Advisers, said that there was no "magic solution" to reversing the downward productivity trend.

Increased spending on research and development and investment incentives would help, but the critical factor, he maintained was future expectations. These could be enhanced over time by the existence of a sustainable economic policy, but the change would not be quick.

● Stewart Fleming reports from New York: The rally on the New York bond markets continued strongly yesterday as Mr. William Miller, chairman of the Federal Reserve Board, projected a 7.4 per cent inflation rate for 1979 and claimed that the Fed's monetary restraint policy has begun to bite.

The President's Economic Message to Congress

The campaign to persuade Congress to approve President Carter's $122.7bn defence budget opened yesterday with Mr. Harold Brown, the Defence Secretary, warning of the threat posed by improvements to Soviet nuclear missiles, and of possible confrontation between the super powers in the Gulf.

U.S. COMPANY NEWS

EXXON earnings 48 per cent ahead; McGraw-Hill files further lawsuit against Amex; Slowdown in General Electric growth—Page 22

WORLD TRADE NEWS

Egypt may seek new bids on £700m telephone scheme

BY MAX WILKINSON

EUROPEAN Telecommunications companies have been given new hope of obtaining a share of the £700m business for modernising Egypt's telephone service.

The Egyptian Government appears to have abandoned an earlier plan to give the whole contract to an American consortium as part of a wide-ranging agreement including financial aid.

The Minister for Economic Co-operation, Mr. Gamal El Nazer, disclosed the new strategy in London this week when he said: "The view of the Egyptian Government is that we will not give this contract to a single country, we would like as many countries to be involved as possible."

Mr. El Nazar indicated that the Government intended to make a decision in the next few months and that it intended to go to open tender. Last summer it was assumed that the bulk of the work would go to a consortium of General Telephone Electronics, Western Electric (subsidiary of American Telephone and Telegraph) and Continental Telephone.

The desire to open up the business appears to be partly the result of an intensive marketing exercise by European telecommunications companies, particularly the French CIT Alcatel, which is working closely with the French Government and the French Telephone Authority.

A battle is now raging between rival companies for a project which will be one of the largest in history and could result in a steady flow of business well into the next century.

The main contenders, apart from the Americans and the French, are Siemens of Germany, L. M. Ericsson of Sweden, International Telephone and Telegraph, and a Japanese consortium. Unfortunately, British companies could only hope at best for a few crumbs from the table, because they have not yet developed a computer-controlled system of exchanges. The first five-year project, worth about £700m is to extend the system from the present 400 lines to about 1m lines.

A detailed plan prepared for the Egyptian Government by Continental last May also envisages extension of the system up to 5m lines by the end of the century. This plan was rapidly followed by a bid from the U.S. consortium.

Although the Egyptians would like to break up the project into smaller pieces and to go to open tender, much will depend on the financing arrangements through direct aid or soft loans, which can be offered by different governments.

Mr. El Nazer said he hoped as much as threequarters of the project would be financed by donor countries and he added: "We don't feel that any single country can make it alone. We have good relationships with Sweden, France, Japan and the U.S. and we would like all of them to take part."

Competitors believe that the Americans have upset the Egyptians by a "steamroller" approach which appeared to imply a radical shake-up of the Egyptian Telephone Authority ARETO.

In the end, the award of contracts is likely to be determined by political factors, perhaps including armaments and other requirements. The Americans could still emerge as the main contractors as part of a deal emerging from the Arab-Israeli peace talks.

£200m order for Boeings

STATE CONTROLLED airline, Air France, is negotiating the purchase of 14 Boeing aircraft including four 747s and ten 727s worth about $400m (£200m), Reuter reports from Paris.

Air France officials also say the airline plans to buy more boeing 747s and 727s in the next few years.

By 1988 it expects to have a fleet of 150 aircraft, including 40 Boeing 747s, 40 727s and 40 Airbus A310s, they added.

And in Tokyo, a Japanese consortium says it will buy two European A-300B-4 airbuses, worth $61m, from the five-nation Airbus Industrie Group and lease them to Thai International Airways for 10 years.

Credits for 1,300 trucks

The Knesset Finance Committee has approved credits to haulage firms for the acquisition of 1,300 trucks, 300 of them to be imported ready for the road and 1,000 to be assembled locally from imported kits, L. Daniels reports from Tel Aviv. It also approved the extension of credits for the overhaul of part of the present fleet of trucks.

ECGD extends bond support

Financial Times Reporter

THE MINIMUM limit for export contracts qualifying for the Export Credits Guarantee Department's bond support scheme has been reduced from £500,000 to £250,000. This was announced yesterday by Mr. Michael Meacher, Parliamentary Under Secretary of State for Trade.

The new lower limit will enable ECGD to give help for a wider range of contracts entered into by exporters of capital goods where overseas buyers insist on the provision of bonds as a condition of contract. The scheme, which was introduced in 1975, applies to capital goods exports and overseas projects on cash or near-cash terms. The qualifying limit was last lowered in December, 1977, from £1m to £500,000. The total number of guarantees issued since the scheme began is now over 300 involving contracts worth more than £2bn.

Japanese urged to invest in UK by acquisition

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE LONDON merchant bank, Kleinwort, Benson, yesterday staged what is believed to be the first seminar ever held in Tokyo on the subject of how to invest in Western countries through the acquisition of existing companies.

In a presentation which was heard by over 100 top Japanese businessmen, Kleinwort's vice-chairman, Mr. Andrew Caldecott, made the point that take-over of established concerns was the only overseas investment route that had yet to be explored by Japanese companies interested in establishing a Western manufacturing presence.

It could be a route worth exploring, he argued, because acquisition of existing (under-valued) assets was frequently likely to be cheaper than the establishment of "green field" manufacturing projects.

In addition, buying into an established concern would mean the acquisition of management team "onto which Japanese skills could be grafted."

Mr. Caldecott suggested Britain as the most promising Western European country in which to seek for take-over opportunities. Companies with annual sales ranging between £10m and £50m, about 500 in the UK, he estimated, compared with 800 in West Germany and 330 in France. A larger proportion of medium sized companies in West Germany and France were subsidiaries of multinationals and thus not available for acquisition.

Mr. Caldecott and other Kleinwort executives conceded during their presentations that company take-overs were unfamiliar in Japan except as a means of rescuing business failures. A handful of Japanese companies (Matsushita, Nippon Electric, Green Cross and Wacoal), however, have carried out successful takeovers in the U.S. during the past few years after considering, and apparently rejecting, the alternative of establishing completely new factories.

Inside the EEC, Sony Corporation acquired 100 per cent control of a German electronics manufacturer, Wega Radio, in 1975 but this was following an approach from Wega and did not result from a policy decision by Sony in favour of acquisition.

One leading Japanese liquor manufacturer is believed to have commissioned Kleinwort Benson to carry out a general study of the UK industry apparently with a view to eventually buying into it.

Brazil to conform on trade

BY DIANA SMITH

BRASILIA — The Brazilian Government has taken major steps to bring its foreign trade practices into line with GATT norms. Its export subsidies have been under heavy international fire for several years.

The National Monetary Council, the country's supreme financial body, have announced an immediate 10 per cent reduction in the 100 per cent compulsory prior deposit on imports. By the end of this year, the deposit will be reduced to 70 per cent and, by 1983, abolished altogether.

Simultaneously the industrial Value Added Tax premium credit granted to some manufactured, but not commodity exports, will be reduced by 10 per cent immediately and, equally, eliminated by 1983. This will mean savings to the Government of £900m.

The Government will also adjust the rate of export credit granted by the official export finance fund, henceforth limiting this to covering the difference between market interest rates and officially subsidised credit rates.

At the same time as it announced these measures, the National Monetary Council proclaimed a 2.5 per cent devaluation of the cruzeiro against the dollar. This is the second devaluation since January 1.

The new adjustment is deliberately aimed at helping exporters and making imports more expensive to offset the reduction in the compulsory deposit.

Bayer fibre prices up

Bayer, the German chemicals major, is raising the prices of its chemical fibres by between 10 and 15 per cent, Sue Cameron writes. The group says one reason for the move is the increased cost of raw materials.

EEC warns Spain on constraints

By Guy de Jonquieres, Common Market Correspondent in Brussels

THE European Commission has delivered a stiff rebuke to the Spanish Government about restrictions which it is placing on exports from the EEC and has demanded that they be rapidly dismantled.

The timing of the Commission's move—just 10 days before the Community is due to open formal negotiations with Spain on its entry application—suggests that it is intended as a reminder that full EEC membership will entail obligations as well as benefits.

The commission has received a large number of complaints from EEC-based companies, including British Leyland and German car manufacturers, that Spain is discriminating against their exports and not living up to its obligations under its 1970 trade agreement with the EEC.

Since the agreement took effect, the value of Spain's exports to the Community has risen almost eight times, while its imports from the EEC have increased only three and a half times.

At a meeting with the Spanish delegation here yesterday, the Commission listed four main areas in which it is dissatisfied with Spain's operation of the agreement:

● The lack of precise information about the operation of import quotas and Spain's failure to relax import restrictions on products of which it is also a substantial exporter.

● The maintenance of the 40-year-old "Buy Spanish" Act, which discourages public companies and firms receiving Government funds from purchasing imports.

● Unfair application of tax rebates on Spanish exports. In some cases these are said to exceed 25 per cent, many times higher than the actual level of Spanish taxes.

● Haphazard and discriminatory administrative practices which restrict trade by denying or delaying import licences to EEC exporters.

These and other complaints are to be discussed at greater length between representatives of the Commission and the Spanish Government next week, with a view to finding solutions before the next meeting of the Spain-EEC mixed committee, scheduled for April or May.

Soviet ships face tough measures

By John Wyles in New York

THE U.S. Federal Maritime Commission is expected to take punitive action against the leading Soviet carrier, Baltic Shipping Company, stemming from its investigation into alleged rate cutting by Soviet State controlled shipping companies.

The FMC is thought likely to decide on Monday to cancel Baltic Shipping Company's tariffs on the grounds that the company is refusing to submit all documentation necessary for the agency's investigation into its rate setting practices on U.S.-Europe trades.

Cancellation of the tariffs would be one of the toughest moves yet by a Western Government against an Eastern European shipping company since rate cutting became a major cause of concern.

FMC action would be welcomed by these companies, some of whom are, ironically, facing the threat of criminal proceedings from the U.S. Department of Justice over a case in which they too, have refused to supply all documents sought.

U.S. maritime row boils over

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE DECISION by the U.S. Justice Department to serve notice on leading European shipowners that they could shortly be facing criminal charges for their companies' conduct in North Atlantic trades is the first blast in what looks certain to be an explosive year in U.S. maritime affairs.

Although the move is not entirely surprising, in that a Grand Jury investigation of alleged malpractices in the North Atlantic trades began over a year ago, it is a clear sign that any changes in U.S. shipping policy will not come easily.

In sending out the letters to shipping executives, the Justice Department has reminded the shipping industry and the many U.S. regulatory bodies involved in maritime affairs that it does no intend to surrender principle and power without a fight.

The strength of the lobby for tightening the anti-trust screw on foreign shipping lines, which have limited exemption from these restrictions under U.S. law, has also been illustrated in the past few days by the leaking of the sections of the U.S. Antitrust Review Commission

The Commission proposes taking away many of the limited freedoms shipping lines possess in organising conferences for rate-fixing and inter-company planning on North Atlantic routes.

Pitted against the hard-line anti-trust philosophy of the Department of Justice and the Antitrust Commission, however, is the rest of the world shipping industry and an increasingly vocal reform lobby in the U.S. itself.

The views of foreign shipowners and their governments are well rehearsed and considerable diplomatic pressure has been put upon the Carter Administration to curtail what the Europeans and Japanese see as the export into international trade of domestic American legislation.

The main vehicle for this pressure has been the Consultative Shipping Group, which represents 14 European Governments and Japan. It has shown a remarkable degree of unanimity in pressing for a White House re-think on marine policy.

They say that the muddled state of U.S. regulation of shipping, combined with the lingering threat from the Grand Jury investigation, is preventing effective communication between shipping lines and between the lines and their customers. The agencies which apply the regulations, notably the Federal Maritime Commission, is accused of being cumbersome and slow in its approval of new arrangements and services. The net result, they say, is a 30 per cent loss of efficiency and consequent reduction in profitability.

Within the U.S. itself, increasing notice has been taken of these grievances and the CSG now has some important allies. Two of these allies were in London yesterday, addressing a conference organised by the International Longshoremen's Association, the U.S. dockers' union.

Congressmen John M. Murphy and Paul N. McCloskey, respectively the Democratic and Republican leaders in Congress's Merchant Marine Committee, came out strongly in favour of fundamental changes to U.S shipping policy.

Mr. McCloskey went furthest, actually suggesting the abolition of the Federal Maritime Commission in favour of a new Cabinet level body to protect U.S. shipping against dumping in the way that other industries are protected.

He also strongly appealed for the crushing of the Justice Department's sally against shipping practices which in every other part of the world are regarded as legitimate.

The next major step will be the report of President Carter's Inter-Agency Task Force on maritime policy, set up last summer and expected to report in March or April.

Looming large in the background is the feeling that the differences between the U.S. and its European and Japanese allies in merchant shipping law are contributing heavily to the rapid encroachment of Soviet shipping into the U.S. trades.

However divided American opinion may be on many shipping questions, there is more or less complete agreement on the need to arrest the growth of Soviet marine power. This, in the end, makes it likely that the present wrangles, however bitter, may not prevent a number of Europe's most senior shipping people finding themselves in the dock first.

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Concern over latest power-switch plans

BY PAUL TAYLOR

PROPOSALS for a major local authority upheaval, were published yesterday in a Government White Paper proposing to strip county councils of certain powers and hand them back to the nine big cities and larger district councils.

The proposals were listed by Mr. Peter Shore, Environment Secretary in London yesterday amid opposition from the county councils and concern about the cost and management implications.

It is just five years since the last major upheaval in local government following the Local Government Act 1972 and although the Government's proposals are described as organic, if implemented they could have an impact on many local authorities and most ratepayers.

The main proposals are:

● Education: Nine big non-metropolitan areas, Bristol, Derby, Hull, Leicester, Nottingham, Plymouth, Portsmouth, Southampton and Stoke-on-Trent are to be offered the chance to take back education responsibilities. An independent body will be set up to examine individual claims.

● Personal Social Services: Responsibility for services such as aid to the old will be given to district councils with populations over 100,000. This could affect 100 local authorities.

● Highways and Traffic Management: Overall strategic planning is to stay with the county councils, but the 100 larger district councils are to be offered traffic management powers subject to Ministerial approval.

● Development Control: All district councils are to have their planning function strengthened with the counties remaining responsible only for special developments such as mineral workings.

Requests

The White Paper said that the Government would consider requests for the transference of other local authority powers and that the organisation, financial, staff and other implications of the proposals are to be the subject of further consultations.

Mr. Shore hoped an amendment to the Act would be introduced, following consultations, before the summer recess. He said that the measures would enable district councils to assume greater responsibilities but "there will be no element of compulsion."

The central argument behind the Government's proposals is to improve local democracy and accountability. Mr. Shore rejected suggestions that organic change represented a further reduction of the powers of county councils and a move towards a new regional tier of government.

He said it was "impossible to estimate the costs at present" because it was not known how many districts would opt for the changes offered.

The Association of District Councils last night welcomed the proposals as "positive moves in the right direction." Sir Duncan Lock, chairman of the 333-member association, said they would bring decision making closer to the people and introduce flexibility into a rigid system. However he said the 100,000 population cut-off point was "arbitrary" and regretted that district councils were not to be given responsibility for roads.

While Sir Duncan hit-out at "unsubstantiated claims" about the cost of the change, the rival Association of County Councils last night rejected the proposals saying they would be "costly and inefficient." Mr. John Grugeon, chairman of the ACC's policy committee, said Mr. Shore had "got his priorities wrong" and described the proposals as "divisive."

BL seeks overseas link for £25m plan

BY RHYS DAVID

BL REMAINS interested in finding a partner for its controversial £25m Leeds aluminium foundry re-development, and is looking overseas following the failure of its talks with leading British companies in the industry.

The former British Leyland car group says that the project, even without a partner, is both viable and necessary. In a robust defence of it Mr. Peter McGrath, chairman and managing director of BL's components division, yesterday strongly criticised the performance of UK aluminium founders, the main opponents of the scheme.

He said in Leeds that even with surplus capacity the industry would not be able to meet BL's needs without substantial investment. He also criticised the industry's failure to win a bigger share of expanding world markets for motor industry aluminium components.

He discounted fears that the new foundry—which will have an output of 13,000 tonnes a year compared with BL's present non-ferrous output in Leeds of 8,000 tonnes—would result in a reduction in purchases from outside suppliers.

The new plant was needed because projection showed that even if BL's car volume remained the same its usage of aluminium in engines was likely to go up by 1983 from the present 20,000 to 28,000 tonnes. This was because aluminium produced a lighter and hence more efficient engine as well as having other advantages.

Italian threat

Mr. McGrath warned that because the new plant would incorporate the latest automative technology, reducing by two-thirds the man-hours in manufacture, it would put pressure on prices within the non-ferrous industry.

Parts of the non-ferrous foundry industry were badly equipped and too fragmented and it would need to increase its efficiency.

BL was going ahead with the project because unless investment of this nature was made in the UK it was likely the market in the 1980s for components such as cylinder heads would be seized by the Italians. Ford and Chrysler had already placed major orders with Italian suppliers.

The new foundry, which is to be built on a site adjoining the company's existing West Yorkshire foundry in Leeds, would be going after U.S. export orders. This might make it necessary to expand the plant.

Mr. McGrath warned that the alternative to going ahead with the scheme would be the closure of the Leeds plant which employed about 500 people. The factory was 40 years old and relied heavily on manual working methods and out-dated equipment. Substantial sums would need to be spent just to keep it going.

Stern tells how 'loan problem was resolved'

BY TERRY OGG

WILLIAM STERN
Guarantees requested

ALTHOUGH THE Crown Agents asked for personal guarantees from Mr. William Stern, the former property magnate, to cover loans to his companies, they never asked him how much money he had, Mr. Stern told the Crown Agents Tribunal yesterday.

Reading from a statement, Mr. Stern said: "I think the subject must have come up in conversation and I must have said, as I have said many times, that not many people have £5m to pay out and that I had no assets other than my house and the shares in the companies I was owning.

"There was certainly no implicit statement intended to the Crown Agents or any of the other recipients of my personal guarantees that I owned independent assets other than the business I was running, of a size which could remotely enable me to implement the guarantees if the companies I was guaranteeing could themselves not meet their obligations.

"At no time did the Crown Agents or for that matter any of the other lenders to the group, except one—make inquiries of me as to my personal net worth."

The Crown Agents requested the personal guarantee as a condition for entering a tri-angular arrangement whereby a Stern subsidiary, Nation Life, lent money to the Crown Agents and the Crown Agents lent an equivalent amount to another Stern company. According to Mr. Stern, the aim of the arrangement was to enable Nation Life to market a guaranteed income bond at a commercially attractive interest rate.

Mr. Stern said: "We wanted to put our money on fixed deposit at a rate commensurate with that which we were guaranteeing to the public, plus a sum for overheads and a small profit. The rate we had to obtain was therefore by definition higher than the daily rate in the money market.

"The problem was resolved by an arrangement I made with the Crown Agents and a similar arrangement with Twentieth Century Finance. If I had asked the Crown Agents to pay interest at a rate of X, which would have been as much as 1½ points above the going rate, the answer would have been "Not on your life."

"However, if the same question was put as 'would you pay X if in fact we introduced to you a credit-worthy borrower who will pay you X-plus 1 per cent?', they would have said 'Yes.' This was the basis of my arrangement with the Crown Agents."

Two-tier banking system pledge

BY MICHAEL LAFFERTY

THE Government is committed to the introduction of a two-tier banking system under the provisions of the current Banking Bill, Mr. Denzil Davies, Minister of State at the Treasury, said yesterday.

Speaking during the debate on the committee stage of the Bill, Mr. Davies said that the Government had no intention of introducing another tier at the report stage of the Bill. The criteria for recognition as a member of the top-tier of recognised banks were "quite tough," and the Bank of England, as the supervisory authority, could be expected to operate the criteria "quite strongly."

He refused to comment on how individual finance houses and banks would be treated. Earlier Mr. Bob Cant, Labour MP for Stoke-on-Trent Central, had asked whether the Bank of England would seek to restrict recognised banking status to as few banks as possible.

Support for the two-tier approach was expressed by a Conservative MP, Mr. Peter Emery, while Mr. Ian Stewart, Opposition front bench spokesman on the Bill, agreed that the approach was "not at all objectionable in regard to banking supervision."

Abuses

Fears were expressed on both sides of the House about possible abuses of banking names, as for example when a bank would be acquired by a conglomerate. A Conservative MP, Mr. Kenneth Baker, asked whether it would be possible for a gaming company to buy a recognised bank and use the bank's name as part of its own.

Mr. Davies replied that all institutions would have to notify the Bank of England about changes in their ownership. "I would be very surprised if the Bank did not consider very carefully whether to continue recognition of the bank concerned," he added.

An amendment which would have allowed Lloyds Bank to change the name of its proposed UK management company, Lloyds Bank UK Management, to Lloyds Bank UK failed.

Mr. Davies explained that Lloyds now thought the second name would be better suited to staff recruitment. But the new name would be "misleading" since the company concerned did not take deposits and was not a bank. It was simply for management purposes.

Appledore to manage Greek shipyard

By Our Shipping Correspondent

A. AND P. APPLEDORE, the independent UK consultancy company, has won a seven-year contract to manage the Neorion ship repair yard in Syros, Greece.

Operations at the yard were suspended last March after a labour dispute. Since then the Hellenic Industrial Development Bank has bought 85 per cent of the shares in the company from the N. J. Goulandris shipping group.

Appledore said last night that the yard would be re-opened soon, although with fewer than the 1,000 men employed there at the time of the closure.

Mr. Thorsten Andersson, former managing director of the Lisnave shipyard in Portugal and the Gotaverken City Yard in Sweden, will become managing director of Neorion and join the board of Appledore. Two other Appledore directors are also joining the Neorion board.

During its closure, Neorion's facilities have been extended with the delivery of a new 40,000 dwt floating dry dock.

Earlier this week, Appledore announced a contract to advise on the modernisation of the Kwangchow shipyard in Canton, China.

Oil and gas demand raises energy output

BY KEVIN DONE, ENERGY CORRESPONDENT

ENERGY consumption is expected to rise by about 2½ per cent this year to 347m tonnes of coal-equivalent. Most of the increase will be due to rising demand for oil and gas, while coal sales are likely to continue to decline.

Provisional figures in the Department of Energy's monthly statistical bulletin, Energy Trends, shows that about 339m tonnes of coal-equivalent were burned last year, compared with 338m tonnes in 1977.

This marginal growth was lower than expected, chiefly because of a fall in the amount of energy used by industry.

Demand for coal last year dropped by about 2½m tonnes, and a further fall of about 2m is expected this year. Output of deep-mined coal is likely to remain at the level of 1978 and 1977, about 107m tonnes, says the Department. This will lead to a further rise in coal stocks.

Last month these stood at 34½m tonnes, an increase of 3m on 1977 stocks.

Demand for oil rose by 2m tonnes last year to 82m. A similar rise is expected this year. Oil production from the UK sector of the North Sea was nearly 53m tonnes last year. In 1979 domestic production should meet about four-fifths of demand.

Natural gas consumption will rise by about 6 per cent this year, says the Department. A growing proportion is met by imports from the Norwegian part of the Anglo-Norwegian Frigg Field, which will help gas to meet 20 per cent of primary fuel needs in 1979.

Demand for electricity increased by 2½ per cent in 1978. A similar increase is expected this year. Nuclear power stations are likely to contribute 14 per cent of this year's supplies.

Loss of Iranian crude from world oil markets does not yet appear to be making an impact on UK oil stocks.

According to Energy Trends, the UK had enough stocks for 70 days' supply at the end of December, equivalent to 18.7m tonnes; with 1.17m tonnes held at power stations.

Car and commercial vehicle exporters losing ground

FINANCIAL TIMES REPORTER

CAR PRODUCTION in the UK for export fell by 12 per cent last year compared with 1977, and output for the home market fell by 3 per cent, according to figures published by the Department of Industry yesterday.

The picture for exports of commercial vehicles is similar, with production falling by 14 per cent on the previous year although output for the home market rose by 7 per cent.

Car exports totalled 494,579 last year, compared with 562,777 in 1977. In 1977, 196,523 commercial vehicles were produced for export and in 1978 this dropped to 168,968. Total production of commercial vehicles in 1978 was 3 per cent lower than the previous year.

This fall in total car production to 1,222,944 last year, compared with 1,315,972 in 1977, is particularly depressing considering that in 1978 registrations of 1.592m were the highest since the peak of 1.662m in 1973. Imports in 1978 took more than 49 per cent of the market against 45.4 per cent the previous year.

Figures published for car production in December show no sign of a recovery, with output of 93,000 units being 15 per cent below the average monthly level in 1977. Output in the fourth quarter of 1978 fell by 29 per cent compared with the third quarter.

Commercial vehicle production in December of 31,700 units was 4 per cent below the average monthly level in 1977, and in the fourth quarter output fell by 17 per cent compared with the third quarter.

Thorn may face drinks system suit

SODASTREAM may take legal action against Thorn Domestic Appliances, with which it is severing links this week.

Sodastream is sole maker of a system that aerates and flavours water to produce a soft drink. It was surprised last week to find Thorn's Kenwood Cascade division exhibiting a similar system in prototype at a trade fair in Birmingham.

This came a week before the planned end of Sodastream's link with Thorn and it says, two years before the expiry of an agreement not to manufacture such a home drinks system.

Until then, the parting had been amicable. Mr. Ian Aldred, deputy managing director of Sodastream, said yesterday.

Mr. Nigel Penny, managing director of Kenwood aCscade, declined to comment on Sodastream's allegations.

Marketed

Since 1975, Sodastream's machine has been marketed in the UK through Thorn's Kenwood organisation. Sales rose from £944,000 in 1974 to £6.2m last year.

Over the period, Sodastream captured a 2.7 per cent share of the 18m household drinks sales and felt that with vigorous advertising and marketing it could increase that share. That was why it was to part from Thorn.

Sodastream brought out a restyled machine and retail pack this week and announced a £1m advertising campaign, including television commercials, for this year.

The company, which has always handled its own exports, has 2,500 shop outlets, including wine stores and off-licences, Boots and electrical retailers. By the year-end it expects to have another 1,200 outlets and predicts sales this year of £8m.

Sodastream expected competition. Its objection is that it has come on the eve of the Kenwood break and from the company with which it has worked.

Sharp fall in UK sector oil finds

BY OUR ENERGY CORRESPONDENT

THE NUMBER of oil discoveries made on the UK Continental Shelf fell sharply last year.

There were only three known finds of any significance in the UK sector, compared with more than 25 in the most successful year, 1975, according to a report prepared by stockbrokers Wood Mackenzie.

Only one, the discovery made by the British National Oil Corporation in block 30/17b, appears likely to be developed in the foreseeable future.

The other finds listed by Wood Mackenzie were made by Elf in block 206/7 to the West of the Shetlands in February, and by Occidental in block 14/18 in May.

The total rig years worked on exploration and appraisal drilling last year fell to 13.3, compared with 22 in 1977, 20.1 in 1976 and 24.8 in 1975. Only 67 wells were completed last year compared with 105 in 1977, 86 in 1976 and 116 in the peak year of 1975.

Contract prices for North Sea oil for the first quarter of 1979 are only now being fixed, says Wood Mackenzie, and appear to be settling in the range of $15.30 to $15.80.

The shortfall in expected North Sea production has resulted in practically all North Sea output being required to fulfil term contract requirements.

UK oil production from the North Sea reached a new record last month of 1,346,000 barrels a day bringing the total for the year to 52.8m tonnes, rather below the level of 55m-66m tonnes forecast by the Energy Department in spring last year.

Capital expenditure on British Petroleum's Forties Field has risen to £2.68bn says Wood Mackenzie, compared with the earlier estimate of £2.08bn. Production from the field began in September, 1975.

Cognac up next month

By Our Consumer Affairs Correspondent

PRICES OF cognac, one of the fastest selling drinks are to rise next month.

The increases for major brands are due to currency fluctuations as well as higher production costs.

The biggest UK brand, Martell, is expected to increase its trade price from February 12. This will eventually mean about an extra 50p on the retail price, bringing it to just under £7.

Courvoisier is understood to be raising its trade prices next month for four cognac brands.

Ramsden to head Fairey Surveys

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MR. STEPHEN RAMSDEN, marketing manager of Jaguar Rover Triumph, is leaving BL shortly to take charge of Fairey Surveys, a company engaged in aerial surveys which has just been sold by Fairey Holdings to a consultancy in which Dr. Colin Phipps, a Labour MP, is the major shareholder.

The deal between Fairey Holdings and Dr. Colin Phipps and Partners, the Malvern-based consultancy, was signed this week. The purchase price for Fairey Surveys, which has been making losses for the past three years, was £940,000.

The sale has been under discussion for some time, and has been conducted under the auspices of the National Enterprise Board, which owns Fairey Holdings. The delay has been due to the delicate nature of selling an NEB-owned company back into the private sector, and to a purchaser who happens to be a Labour MP.

Fairey Surveys, based in Maidenhead, is a long-established company which grew out of the aircraft interests of the former Fairey parent company, which went into receivership in the autumn of 1977.

The NEB bought up the engineering interests of the Fairey group amid considerable controversy that the public sector should bid for companies in which the private sector was also interested. Dr. Colin Phipps and Partners, which carries out natural resources surveying, was interested in buying Fairey Surveys at the time, but it was decided that the group should not be split up and sold off to separate bidders.

Fairey Surveys is the second company to be sold off by Fairey Holdings since it has been in NEB ownership—the first was a marina on the River Hamble. The sales are in accordance with the policy being pursued by the new senior management of Fairey Holdings, which was appointed by the NEB, to make the group more profitable by concentrating on engineering.

The £940,000 purchase price for Fairey Surveys includes repayment of inter-company indebtedness in the Fairey group.

Jobber gives up deals in paper shares

By Andrew Taylor

SMITH BROTHERS, one of the big four London jobbing firms, has told the Stock Exchange that it is to cease dealings in paper and newspaper shares.

Mr. Tony Lewis, chairman of Smith Brothers, said yesterday that these markets had been unattractive, and there had been some losses.

"We have been reviewing this position for about two years. We have not been making money on paper and newspaper dealings, and came to the conclusion that the market could not support ourselves, and Pinchin Denny and Akroyd and Smithers, who also regularly deal in these shares."

Mr. Lewis blamed a combination of factors for the decision to pull out. He said the market had been dominated by the shares of a few large companies, and had always suffered from thin and volatile trading, which had adversely affected profitability.

Farm sprayers concession

THE UK agency for the Tecnoma range of agricultural sprayers has gone to J. Mann and Son of Saxham, Bury St. Edmunds.

From next month the Suffolk company will import 20 different models from Tecnoma, which has its base in Epernay, France.

Sausage factory opens today

A £3m sausage and pie factory at Evesham, Worcestershire will be opened today for Wall's Meat by Unilever chairman Sir David Orr.

The 67,000 sq ft factory is already producing for Marks and Spencer.

An EEC contribution helped to build the factory and the company is to apply for a Common Market food export licence.

Waste war cuts fuel bills

MORE THAN 9,000 employees of Perkins Engines at Peterborough are being asked to become national leaders in an industrial "Wage war on waste" campaign.

In the last year employees have helped to save £175,000 in energy costs. In 1974-75 the saving was £374,000.

Discrimination alleged in bank's Bill

THE BANKING Bill will discriminate against UK financial institutions in allowing unfair competition from foreign banks, Mr. Joe Skelton, chairman of the Finance Houses Association, said last night.

In future, he said, it would be "possible for foreign banks to transact business in this country —but which do not achieve the status of recognised banks—to continue to use the word "bank" or "banking" in their names but our own home-grown product will be prevented from doing so."

That offered an advantage to foreign-owned banks intending to expand in the UK.

Changes by BOC imply policy shift

By James Bartholomew

A BREAK with its earlier policy of decentralisation and an indication that a top American executive will stay with the group are implications of top boardroom changes at BOC International.

The most important of these was the news that Mr. John Williams, previously managing director of BOC, is promoted to "group chief operating officer" of BOC International, and Mr. Richard Giordano, president and chief executive of Airco, is to be appointed to the parent board.

Mr. Williams' position is a new one. He will "devise competitive strategy for each of the group's major units" and thus draw in the management of the company towards the centre.

The re-appointment of Mr. Giordano to the board suggests that this highly-regarded president of Airco is to stay with the group. He was appointed to the board in March 1978, but resigned in January 1978, when BOC International was arguing with Airco over the price at which BOC should fully take over the U.S. company.

The other appointments are: Mr. David Pitts, previously in charge of the Pacific area, is promoted to replace Mr. Williams at BOC. Mr. Paul Bosonnet becomes chairman of Medishield, a loss-making subsidiary. Mr. R. C. Hesketh-Jones, previous chairman of Medishield, becomes deputy chairman of BOC International.

International risks in seeking nuclear safety

NEWS ANALYSIS ● FAST BREEDER REACTORS

BY DAVID FISHLOCK

FRESH COLLABORATION between Britain and the U.S. to study the safety of fast breeder reactors introduces a pattern that has been developing steadily between the pioneering nations, except the Soviet Union in advanced nuclear technology.

The objective is a unified international view on certain aspects of fast reactor design. A common policy on "engineering safeguards," the safety systems to ensure that no fast reactor runs amok.

The Anglo-U.S. collaboration, shortly to be announced by the two Governments, involves the exchange of plutonium fuel for such reactors.

Fuel made in Britain and the U.S. is to be placed first in the UK Atomic Energy Authority's 250 MW prototype fast reactor power station at Dounreay, then, suitable "cooked" to an appropriate metallurgical state, transferred to an American test reactor called Treat (transient reactor test facility).

Treat is a facility in which nuclear fuel can be driven safely to failure by allowing its temperature to run out of control.

Pessimists among fast reactor experts say that in such circumstances the fuel might release explosive amounts of energy, capable of wrecking the reactor and releasing radio-activity. The designers hope to prove that the worst kind of accident anyone can contrive will still be contained safely within the reactor.

Facilities such as Treat are expensive to build. Britain has none. President Carter's proposals for the 1980 energy Budget, released this week, includes nearly $28m to upgrade Treat.

The French have such a facility, at Caderache. Britain is involved in a programme that includes the West Germans and the Japanese. The Anglo-U.S. venture will therefore bring together five of the six nations in the forefront of fast reactor technology.

Lest anyone should have been persuaded that the present U.S. Administration is hostile to the fast reactor, it is worth looking more closely at the latest energy Budget proposals.

Of a total nuclear research and development Budget proposed for 1980 of about $500m, about $230m is for work on the fast reactor. The British fast reactor budget for that period is expected to be about £70m.

However, President Carter is hostile towards the U.S. Clinch River prototype fast reactor, counterpart of the Dounreay reactor.

As a result the U.S. has no large power reactor in which to test commercial-scale fast reactor fuels. Neither does the new energy Budget include further funds for Clinch River, already partly constructed; although it includes nearly $30m for the first year's work on a design study for a new and bigger prototype power reactor of 650-900 MW which may be built during the 1980s.

Thus the UK and U.S. have a sound basis for collaboration: each has a facility the other wants to use. Beyond that, however, lies the incentive that it is extremely expensive to build the facilities required to demonstrate the remote possibilities of hazard that reactor designers are obliged to investigate.

Thence arises the pressure to collaborate internationally and if possible to agree on a common engineering design policy; as is apparent with the pressurised water reactor, the nearest system yet to a universal reactor.

The Anglo-U.S. plan is to share work expected to cost altogether tens of millions of pounds on each side of the Atlantic. The costs, according to Dr. Gordon Welch, a commercial manager with the UK Atomic Energy Authority at Risley, who has negotiated Britain's role in the arrangement, will be borne independently by each country as they arise.

The agencies involved are the UK authority and the U.S. Department of Energy.

In that way they hope to avoid any haggling over differences in the cost of work done in each country. Similarly they hope to arrange that neither nation ends up with a net gain of plutonium —a politically sensitive topic. All results from the development programme are to be exchanged fully.

Any risks will be confined to the Treat reactor at Idaho Falls, Idaho, where the fuel will be driven to the point where it melts, bursts its container and releases intensely radio-active fission products into the sodium coolant.

If all proceed according to plan, the U.S. Government will within weeks, perhaps days, authorise the transfer to Britain of about 34 kilos of plutonium in mixed plutonium and uranium oxide fuels, for the first stage of the collaboration.

It will be fabricated into fuel assemblies suitable for the Dounreay reactor. There it will be irradiated at full power, producing electricity for Scotland. The spent fuel will be shipped back to the U.S. for the worst to which Treat can expose it.

If the upgrading proposal designed for Treat is implemented, it will be ready by 1981 to accommodate much larger amounts of fuel for the new programme.

Meanwhile in Britain, discussions continue with the Soviet Union on a means of including that country in the international collaboration on fast reactor safety. The Soviet Union has experience of a 250MW prototype power reactor and of building a 600MW fast reactor, expected to come on load this year.

NEB to invest £40m in office equipment

BY MAX WILKINSON

THE NATIONAL Enterprise Board yesterday announced the formation of an office equipment subsidiary, NEXOS office systems, in which it is preparing to invest £40m.

The new company will be responsible for marketing and developing a complete office system based on modern electronics.

The NEB's initial investment will be £15m, with a further £25m expected as new products are developed.

As disclosed in the Financial Times on October 6 NEXOS will buy its equipment from a group of associated companies in which the NEB is intending to take substantial shareholdings.

These companies will generally retain their independence, but will be tied by exclusive agreements with NEXOS relating to particular products.

The first of the companies to sign such an agreement is Logica, the computer software and word processing company. It is likely to play a key part in the development of NEXOS's plans.

The NEB has not yet announced which other companies will be taking part, but they are believed to include Computer Technology (CTL), Muirhead, the facsimile transmission company and Monotype, which makes computer-based typesetting equipment.

As yet NEXOS has only one employee, Mr. Muir Moffat, who has moved from a senior marketing position in IBM (UK) to be the new managing director.

NEXOS will have two main divisions. The first will be the marketing section responsible for sales and service throughout Europe.

The other division will be responsible for technical coordination. Its job will be to define the type of office system required and then to let out contracts to associated companies for the development of different pieces of equipment.

Processor

The first building block of the system will be Logica's VTS (video typing system) word processor. This comprises a keyboard, television-like display unit, magnetic storage and printer.

hTe further development of the system is likely to be based on the ability of word processors to communicate with each other and with a central computer by a telephone system. The units could then be used for typing documents, for communication in the manner of telex, and also as computer terminals.

Similar systems are being developed by most of the major office equipment companies including International Business Machines, Xerox, ITT and other multinationals.

It is this integrated systems market which NEXOS is intending to attack. The office equipment market is expected to grow rapidly to about £10bn a year in Europe by the mid-1980s. The NEB believes it can obtain an adequate return on its investment if it wins only 0.5 per cent of this market, or sales of £50m a year.

As part of the new arrangement, Logica has been split into two parts by the formation of a new company, Logica VTS, which will have equity funding of £500,000 and an NEB loan of £750,000.

Logica VTS is to be owned 57 per cent by a new company called Logica Holdings and 43 per cent by the NEB. The shareholding of Logica Holdings will be: 20 per cent by the NEB, 29 per cent by International investors and 51 per cent by an investment company controlled by Logica's staff shareholders.

Last year Logica reported pretax earnings of nearly £1m on a turnover of £10m, a growth of 47 per cent on the previous year.

Safe toy standard published

By David Churchill, Consumer Affairs Correspondent

MOVES to increase the safety of children's toys were announced yesterday when the British Standards Institution published the first British toy safety standard.

It hopes that the standard, BS 5665, will be adopted internationally, and eventually be used as a basis for an EEC directive on toy safety standards.

The standard has been published in two parts. The first part covers all types of toys, and tackles the problem of specifying safety requirements for toys once considered too dangerous. Toys with projectiles, the institution points out, "can be made to comply with a number of basic hazard-reducing provisions."

The second part of the standard is designed to eliminate toys which present a dangerous fire hazard to children. Additions to the standard are planned, covering poisonous materials and aquatic toys.

The new standard has been published to coincide with the British Toy and Hobby Fair, which opens at Earls Court, London, tomorrow.

Hotpoint sued over trade refusal

BY MAX WILKINSON

THE OFFICE of Fair Trading has issued a High Court writ against Hotpoint, a subsidiary of the General Electric Company, because of its refusal to supply washing machines to Comet, the discount warehouse retailer.

The case is to be contested, but Mr. Chaim Schreiber, managing director of Hotpoint, would not comment yesterday on the grounds for its defence.

Hotpoint refused to supply an order which it received from Comet in October for £748,000 worth of machines.

The Office of Fair Trading action is being taken under a law which makes it an offence for a manufacturer to withhold supplies with the object of forcing a retailer to keep up prices.

Mr. Michael Hollingsbery, chairman of Comet, declined to comment yesterday because he said the question would have to be settled by the courts.

He said, however, that Comet was able to reduce prices and operate with lower margins than other retailers, mainly because it was extremely efficient.

In a lengthy interview published by Electrical and Radio Trading yesterday, Mr. Schreiber said that he had abolished recommended prices and that Hotpoint advertisements now quoted "going prices" in the shops.

He intended to build up sales through the independent electrical appliance retailers.

In the interview Mr. Schreiber said: "I had an order worth £748,200 from Comet in October for 5,700 units. I refused it and will not deliver because they were not range stocking."

Range stocking is an agreement which retailers make with a supplier to stock and display a range of the supplier's products. Comet's display would be through newspaper advertisements which it uses as its main shop window.

Mr. Schreiber said that he did not think discount selling had given long-term benefits to the public. "The best deal is through a retail outlet that cares for its customer and works on a modest and fair margin."

Loan to make toy soldiers

TOY SOLDIERS are the latest beneficiary of investment by the Welsh Development Agency.

Blenheim Military Models, set up by Mr. Frank Scroby, aged 41, and his wife Janet, aged 36, in their terrace home in Pontycymer, near Bridgend, Mid Glamorgan, is receiving an £8,000 loan to develop the company.

Their hand-made models show painstaking detail and have an international reputation.

Mr. and Mrs. Scroby have made about a quarter of a million soldiers in the past five years.

Celtic Sea hopes of oil reduced

BY ROBIN REEVES, WELSH CORRESPONDENT

THE CHANCES of finding oil or gas in the Celtic Sea have deteriorated over the past two years inspite of relatively interesting results from the first few wells, according to a study released by Dyfed County Council.

The report, by the Jack Holmes planning group of Glasgow, also blames the increase in costs—falling harder on small fields—and better opportunities for oil companies elsewhere for the relatively modest production potential of the area.

It estimates the most likely potential, in the "most relevant region for Dyfed," at between 330m and 370m tons of recoverable oil and oil equivalent. An earlier study put the potential at 1,000m.

Holmes Report, Dyfed Planning Department, 40, Spilman Street, Carmarthen, Dyfed. Price £12.50.

Disabled want loophole closed

THE GOVERNMENT was yesterday urged to close a loophole which has allowed developers to flout legislation requiring that access for the disable be provided in all new public buildings.

The Silver Jubilee Committee on Improving Access for Disabled People presented a report to Mr. Alf Morris, Minister for the Disabled, which called on the Government to strengthen the law.

The committee said many new public buildings were still being designed without concern for the disabled. The 1970 Chronically Sick and Disabled Persons Act "lacks teeth," it said

Shoe makers 'can win more home sales'

BY LISA WOOD

THE FOOTWEAR industry shows every likelihood of increasing its share of the domestic market and is producing more quality products, the National Economic Development Office says in a report.

Its Footwear Industry Working Party outlines strategy for securing the future of the industry, which in 1977 had 69 per cent of the domestic market.

After years of decline, the industry, labour-intensive, with about 75,000 workers, predicts that its UK market share will increase to 71 per cent by 1982 and export volume will rise by a fifth.

Manufacturers are investing in new plant and improving their products, and retailers have agreed to co-operate closely with home manufacturers.

Mr. Spencer Crookenden, chairman of the working party and of K Shoes, said: "We want to show that we can make fashion shoes and that sort of product is not just the preserve of the French and the Italians."

The working party has confidence in the skills of the industry, which should see an increase in the next few years of about 5,000 employees.

However, more than three-quarters of the world's footwear markets are protected by high tariffs, quotas or other restrictions.

Footwear Industry Working Party Report, 1979 (NEDO Books, free).

Row over council's move against Welsh Assembly

BY ROBIN REEVES

A ROW has broken out in Wales over the proposal of two county councils to spend money campaigning for a "No" vote in the Welsh Assembly referendum on March 1.

A majority of Gwent councillors voted this week to spend £1,000 informing the county's electors of the "dangers" of the Welsh Assembly.

South Glamorgan's finance committee has recommended the council to spend £3,000 on a county "No" campaign. The full council meets to take a decision on this next week.

The proposed expenditure has led to widespread protests and groups of High Court action by group of ratepayers and by the umbrella "Wales for the Assembly" campaign, challenging the legality of using ratepayers' money for such a purpose. Solicitors and counsel have been engaged to look into both cases.

A Gwent councillor, Mr. Aneurin Richards, has complained to the police that four councillors on Gwent's finance committee did not declare their interest when voting to recommend a £1,000 grant towards the Gwent campaign against the Welsh Assembly while belonging to the campaign.

He has asked the police to investigate whether this is in contravention of section 94 of the Local Government Act relating to the disclosure of pecuniary interest.

The protests have clearly had an influence already. Gwent County Council has decided to spend the £1,000 itself rather than give a donation to the campaign.

Under the Wales Act, the Welsh Assembly is mandated to carry out a review of local government. This undoubtedly accounts for some of the hostility towards the proposed assembly at county council level in Wales.

Good results achieved by dyers and finishers

BY JAMES McDONALD

THE DYERS and finishers trade—operating within a very competitive textile industry—has achieved good results in its latest two-year financial comparisons.

A survey of the 169 companies involved in the trade, 13 quoted companies and 156 unquoted, by Inter Company Comparisons shows enviable performances in both sectors.

Of the 13 quoted companies, 11 increased turnover in a 12-month period, nine added to assets, eight enlarged liabilities and paid more to directors, and 10 increased their profits.

In the unquoted sector, 84 per cent raised turnover, 74 per cent added to assets, 78 per cent increased liabilities and 73 per cent raised their profits.

The survey suggests that the next 12 months will make demands upon the resources of the companies in the sector to meet increasing payrolls and costs of materials and distribution.

A different picture is shown in a survey of toiletry manufacturers and distributors. The survey covers 206 companies—17 quoted and 189 unquoted. Only nine of the quoted companies over the two years' comparison, just over 50 per cent, increased their profits. But in the unquoted sector, 78 per cent of the companies had improved profits.

"Dyers and Finishers," £30.80. "Toiletry and Cosmetic Manufacturers and Distributors," £32.80. Both from Inter Company Comparisons, 81, City Road, London, EC1.

London-Nairobi cut fare plan

BRITISH AIRWAYS and Kenya Airways are to cut fares on their London-Nairobi services by up to 45 per cent from April 1.

The return fare between the UK and Kenya will be £250 return, the cheapest ever on scheduled services between the two countries. A normal economy return fare is £667, and excursion returns cost £450.

Under the new Apex (advance purchase excursion) scheme, bookings must be made 60 days before travel and passengers may stay from 14 to 90 days at their destination.

Double your money Gormley tells NCB

BY ALAN PIKE, LABOUR CORRESPONDENT

THE National Coal Board yesterday put a £50m ceiling on pay increases for mineworkers and their leaders that their full claim for increases of up to 40 per cent would add £4 a tonne to the price of coal.

In its first formal response to the claim the board did not make a detailed offer beyond outlining the £50m limit within which it wants to operate.

The immediate reaction of Mr. Joe Gormley, president of the National Union of Mineworkers, was that the £50m came "nowhere near the desires or the ideas" of the union and would have to be "more than doubled" to keep the miners at the top of the earnings league.

Members of the union executive will meet to consider the offer formally next Thursday and talks with the board are likely to be resumed later in the day.

In its response the board emphasised its wish to discuss with the union at any time "the development of a new approach to wage negotiations which would avoid annual arguments about the level of pay." The union is asking the board to agree to a settlement lasting only eight months to get the miners' back to their traditional November anniversary date. The union might, however, be ready to consider a 20-month deal.

The board made its proposals against a background of what it described as "a number of immediate difficulties" in the industry. Union leaders were reminded that there was likely to be an operating loss of £460m in the deep mines in 1979-80.

Costs were rising faster than inflation generally, demand was down in the steel industry, growth from electricity supply was lower than expected and the board was seriously affected by the lorry and rail disputes.

According to Coal Board calculations the union claim for new rates of £110 a week for face-workers and proportionate increases for other grades would cost £400m a year. This does not include the cost of a demand for a shorter working week which forms part of the claim.

The miners' negotiators were reminded at yesterday's talks of the value to their members of the incentive schemes introduced during the past year. These, said the board, had been worth an average of 18 per cent on top of the 10 per cent permitted under the Phase Three guidelines.

Mr. Gormley, stressing that negotiations were only just beginning, said: "We are determined at the end of this exercise that we are going to remain at the top of the tree.

"We are not going to relinquish number one position as a result of this exercise. We think there is much more than £50m available somewhere."

Walk-out halts paper

THE LONDON Evening News lost its final edition last night because of a walk-out by members of the National Graphical Association in the print room.

The management says that the walk-out was provoked by a fault in the fire alarm system which went off by accident, and then went off again while it was being repaired.

It has told the union that it will take strong action if a similar incident occurs. As a result of the walk-out at 3.30 pm, 150,000 copies were lost.

The NGA at the Evening News has been told that 120 of its members are to be made redundant as part of an economy exercise to stem the paper's £7.5m a year losses.

Talks are being held with all the unions at the Evening News about a management plan to make 580 people out of the total staff of 2,200 redundant.

According to the management last night, its proposals were being "digested" by the unions, and meanwhile the chapels (union shops) has been told not to take any disruptive action.

No redundancies are proposed for the Evening News's sister paper, the Daily Mail. The management, however, has told representatives of employees on the Mail that, if the Evening News were forced into closure by disruptive action, a strain would be put on the economics of producing the Daily Mail, and this could lead to redundancies.

Vauxhall sends 5,000 home at Luton and Dunstable

BY MAURICE SAMUELSON

VAUXHALL MOTORS yesterday announced 5,000 lay-offs at Luton and Dunstable because of the lorry drivers' strike, and said no more completed vehicles were being produced.

Notices went out to 4,000 on the car and van assembly lines due to a shortage of components and fuel oil. Another 9,000 hourly paid workers were being kept on a day-to-day basis.

At the company's heavy truck factory at Dunstable, 750 assembly line hands were laid off at midnight, and the 250 paint line workers will end work today. Another 3,500 people are working on a day-to-day basis.

BL, whose production of completed vehicles has been cut by about 30 per cent, yesterday sent home a further 600 people at the Cowley car body plant in addition to the 1,500 laid off on Wednesday. This brings BL's total lay-offs to 10,300.

The company's position differs in each plant. Production at Leyland, Lancs., is down by 70 per cent, the BL Bathgate works is almost at a standstill, Longbridge is relatively unaffected, and there are no lay-offs yet in the Uniparts division.

Chrysler UK's factories also face production difficulties, and the company said it could not rule out further lay-offs.

Smaller manufacturers, such as Rolls Royce Motors and the Lotus Group, have had few difficulties.

Hospital cancer blockade eased

THE BLOCKADE at the Queen Elizabeth hospital campus in Birmingham was partially lifted yesterday after Mr. David Ennals, the Social Services Secretary, threatened to intervene.

Mr. Ennals called for urgent reports on the position at the campus after 125 cancer patients were sent home because of a shortage of supplies. After talks between the area health authority and members of the National Union of Public Employees, it was agreed that the bolckade on essential food and medical supplies should be lifted.

It is thought the 75 striking porters at the hospital also agreed to let through all ambulances without questioning whether they were emergency cases.

The union claimed that the sending home of cancer patients from the hospital radio therapy department — patients in other departments were not affected — had been unnecessary.

Mr. Bernard Dix, assistant general secretary of NUPE, said union officials in Birmingham had been told by the area health authority's chief administrator that the patients need not have been sent home.

Mr. Dix said this showed that the director of the radio therapy department, Mr. William Bond, "had acted on his own without any consultation with the hospital administration and without using the machinery which has been established between the Health Department and the union to deal with emergency situations."

The department said that the blockade of supplies at the hospital appeared to be an isolated case. Hospitals in other areas were having difficulties in maintaining services but essential supplies were being allowed in and they were managing to cope.

The patients sent home were said by the department to be those whose treatment could "most safely" be suspended.

Unions attempt to safeguard vital services

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS involved in the selective campaign of industrial action by 1.5m public service workers yesterday set up a structure to coordinate nationwide action.

The four unions involved met to discuss ways to ensure that emergency services in hospitals and other vital areas are maintained during the present battle over pay policy with the Government.

At the meeting in Transport House, they also formulated a structure aimed at preventing members in one union from "going their own way" in deciding on local action.

The move is the result of growing concern by the unions at national level about increasing public hostility. This could follow reports from various hospitals and from ambulance authorities this week that union action is making patients suffer.

Officials have also appeared anxious to unite at local level the policies of the General and Municipal Workers Union and the National Union of Public Employees.

A joint national co-ordinating committee is now to meet on alternate days. It will control action decided on by regional co-ordinating committees for both local authority manual workers and health service employees.

The unions are also emphasising to members that local decisions on emergency services should be made jointly with hospital and other managements. Guidance, however, will be sent by the unions on specific emergency problems, such as maintenance of renal dialysis services.

The GMWU said yesterday that action was escalating throughout the country. Refuse collectors in a number of areas, including the London borough of Merton, had decided to strike indefinitely.

Kitchen porters in the health service, ambulancemen, grave diggers, school meals drivers and school caretakers were also taking selective action, including overtime bans.

Enough drugs now but shortages may follow

BY SUE CAMERON, CHEMICALS CORRESPONDENT

NO IMMEDIATE danger of a drug shortage exists as a result of the road haulage strike, the Government agreed yesterday.

Concern over the effects of the strike on the pharmaceutical industry was based on the threat of a shortage of medicines later this year, the Home Office said.

Clarifying comments this week by Mr. Merlyn Rees, Home Secretary, it said that Mr. Rees had been referring to interruptions in supplies of raw materials reaching the drug manufacturers. He had not intended to imply that there was a shortage of finishedd rugs.

The Department of Health and Social Security explained that many pharmaceutical manufacturers were failing to receive enough materials, particularly those used in making antibiotics and cancer drugs.

Some drugs, because of multi-stage production and various safety checks, took up to nine months to make. Serious interruption of material supplies might therefore lead to shortages in several months.

Several leading pharmaceutical producers confirmed that they were worried about their ability to maintain continuous production after the end of next week. All, however, were receiving some supplies and were having no difficulty in getting finished drugs through picket lines.

Materials in shortest supply include hydrochloric and sulphuric acid, produced at ICI's Runcorn plant, and acetic acid, acetic anhydride and alcohol, produced at BP Chemicals' Hull plant.

ICI has closed its sulphuric acid plant but has stocks. It said that pharmaceutical raw materials were leaving Runcorn as long as loads fulfilled the necessary requirements for union dispensations.

BP Chemicals said that only a tenth of its normal output was being allowed to leave Hull, but added that less than a tenth of the plant's production normally went to pharmaceuticals. Products such as acetic acid are used in making a wide variety of products from paints to food additives, as well as drugs.

Glaxo was "managing to cope." Boots said that its wholesalers and retailers were well stocked. It had not yet had to cut production. However, it had had to lay off 100 of the 3,000 chemical workers its employs at Nottingham.

Beecham Pharmaceuticals' production flow was being disrupted.

ICI Pharmaceuticals, which specialises in heart drugs had "some serious medium-term problems" but had enough materials to cope at present.

Export delays 'Could destroy some markets'

DAMAGE TO exports caused by the road haulage strike is causing great concern, according to a survey by the West Midlands region of the Confederation of British Industry.

Of 300 companies replying to a questionnaire a very high proportion cited exports held up at ports as a main worry. A random sample of 33 of the companies indicated that orders worth £7.6m were frozen at the docks.

"There can be no doubt that some overseas markets are going to be lost to local companies for ever," Mr. Steve Rankin, the federation's regional director, said last night. "Overseas customers are making it clear that they will reduce their dependence upon the UK."

Food distributors 'still have seven days' supply'

BY CHRISTOPHER PARKES

THERE IS food enough in the distribution chain to keep shops supplied for the next seven days, Mr. John Silkin, Minister of Agriculture, told the Commons yesterday.

He was still worried about shortages developing in the pipeline, but he shrugged off charges that the whole food distribution network was breaking down.

There were difficulties to be overcome, he said, but many problems had already been solved.

The North-west of the country was still experiencing the worst shortages, he admitted, in reply to an emergency question from Mr. John Peyton, Shadow Farm Minister.

But, quoting "quite a distinguished chain of food shops" he insisted there were adequate supplies of fresh meat, bacon, butter, fruit, vegetables, sugar and margarine in the shops.

The London Provision Exchange reported no significant price increases this week. First-hand prices of eggs, bacon and other staple foods were unchanged in dealings on the exchange.

Mr. Tim Sainsbury, MP (Con., Hove) and a member of the supermarket family, had claimed "very many" shops around the country were sold out of sugar, salt, margarine and lard, and there were only limited stocks of canned and packaged goods.

Mr. Silkin said there had been improvements in the movement of food and animal feeds through ports in Northern Ireland, South Humberside, Sheerness and Southampton.

The Government was taking up with the unions concerned the lack of co-operation at Merseyside, Avonmouth, and Hull.

The supply of animal feeds remained reasonable, he said, but it was not as good as he wanted.

The Food Manufacturers' Federation, speaking for the food processing industry, claimed that secondary picketing was still harming food supplies.

"There is plenty of evidence that secondary picketing is still prevalent in many areas and that the code is being ignored," the federation said.

Factories still suffering badly included the Heinz plant at Wigan, Cadbury Typhoo at Morton, Kellog's in Manchester, and Nestlé depots in Leeds and Cardiff.

Pay award up to 26% for some engineers

By Pauline Clark, Labour Staff

PAY INCREASES ranging from 10 per cent to as high as 26½ per cent have been awarded to about 34,000 environmental engineers in the private contracting industry in a recent award by independent arbitrators.

Their claim for a sizeable pay increase to correct an erosion of differentials since the beginning of the Government's pay policy was taken to the Advisory Conciliation and Arbitration Service as part of the agre eddisputes procedure between employers and union representatives.

Mr. Tom Rice, national officer in the Electrical and Plumbing Trades Union, said yesterday that the union had agreed to an independent examination of the claim because of its "confidence in the independent arbitration system—a system which should be supported by all unions as an alternative to industrial muscle."

The employers' negotiators whose were taken from the heating and ventilating, electrical and plumbing contractors' associations, were represented by the Electrical and Engineering Staff Association, the white collar section of the EPTU.

The earlier failure to reach a settlement was attributed partly to employers' fears of Government pay sanctions before they were lifted towards the end of last year.

Pickets relax hold on West Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SECONDARY PICKETING has eased in west Scotland, but is still causing severe problems in the east, particularly to the papermaking and food and drink industries.

The Confederation of British Industry in Scotland said last night that many companies in the west were now reporting that their gates were clear of pickets, and they were able to move goods freely.

This indicated that transport union strikers in the west were adhering to the code of conduct issued last week.

The formal arrangement made earlier this week between the Confederation and the transport union at Scottish regional level to deal with complaints which could not be resolved locally was also helping some companies to avoid lay-offs.

However, the dispute was still causing problems. Mr. Kenneth Smith, assistant director of the Confederation, said: "We are sure this is just the lull before the storm. There is still practically no movement at the ports, so companies cannot export. Many of them are running out of storage space, and cash flow has ceased."

The Scottish Office said 33,500 workers had been laid off in Scotland. The latest additions came yesterday from James Keiller and Son, the Dundee food company, and United Glass at Alloa, which supplies bottles for the whisky industry. Shortage of bottles could soon cause lay-offs at bottling plants.

British Steel Corporation's Scottish division has sent home 150 workers at the Ravenscraig hot sheet finishing department, bringing its total lay-offs to more than 1,000.

Production at BL Vehicles truck and tractor plant at Bathgate has also been brought to a standstill, with 2,000 employees laid off so far.

Four men were arrested yesterday outside a liquid petroleum gas terminal under construction for BP at Grangemouth Docks. They are to appear in court today.

Exports worth £31½m trapped

BY COLLEEN TOOMEY

MORE EXPORTS piled up at docks and factories in the North yesterday. The Confederation of British Industry in Manchester said that it knew of at least £31½m of exports "trapped" in the area—£11½m more than the previous day's count.

Cupal, a small pharmaceutical company in Blackburn has £30,000 worth of exports blocked and is now renting extra space just to house them. Cadbury Schweppe's has £6m of export goods held up.

Liverpool airport has trebled its air freight tonnage in the past 10 days. Most of the goods lifted are motor components but they also include tobacco, chemicals and other products.

The CBI said that more than 31,000 people have been laid off in the North, 2,300 of them from Courtaulds Viscose division in the North-west.

Secondary pickets were still outside food and packaging companies yesterday, including Heinz at Wigan and Alliance Smurfitt. About 80 per cent of Alliance's production is packaging for the food industry and pickets have stopped all movement of its goods.

Picketing Road Haulage Association employees prevented all diesel oil moving from British Petroleum's Partington refinery yesterday and refused to allow diesel to leave the Esso and Texaco refineries at Trafford Park.

One company carrying goods to Merseyside yesterday complained that strike committees in the North were ignoring dispensations issued by other local committees and turning back lorries. A similar situation was reported in Manchester.

In Hull, three more haulage companies have settled with the drivers' union and some have begun moving chemicals for the pharmaceutical industry from BP Chemicals at Hull.

Fish was again landed at Hull but only owner-drivers or own account vehicles were allowed to move the catch.

At Hull docks, 5,000 imported Ford and Lata cars are now being collected and timber and food cargoes are also moving again.

Diesel supplies cause concern in South-West

BY ROBIN REEVES, WELSH CORRESPONDENT

DIESEL OIL supplies are again causing concern in the southwest following stringent picketing of the Avonmouth fuel depot.

The Government's local emergency committee once again urged the Transport and General Workers' Union to allow the flow of supplies out of the depot, warning that an acute shortage was preventing the carrying of essential goods, exempt under the picketing code.

The committee had earlier reported that the diesel famine had eased but yesterday it was clear that many filling stations, particularly on motorways, were low or out of diesel altogether. The Avonmouth strike committee's record on diesel suplies as "totally irresponsible and capricious."

In Wales, Mr. Ian Kelsall, the CBI director, said he was receiving definite indications of a growing liquidity shortage among Welsh companies because of the build up of finished goods in factories.

But public attention in Wales is now focused mainly on the disruption by public service workers, particularly in hospitals.

Ambulance services in many parts of Wales are either working to rule, operating emergency cover only, or, as in West Glamorgan, on strike altogether.

Members of the General and Municipal Workers' Union have also started a work to rule, hitting road gritting operations already severely hampered by the shortage of salt supplies. In North Wales, dustmen began an indefinite strike.

Wyeth hits back over '25% pay award'

By Our Labour Staff

WYETH LABORATORIES, the Berkshire contraceptive pill company yesterday described union suggestions that arbitrators had awarded its salesmen pay increases totalling 25 per cent as "substantially misleading."

The Association of Scientific, Technical and Managerial Staffs, which has been involved in a long-running dispute with the company over union recognition, was attacked by management after publicising a recent pay award by the Central Arbitration Committee.

Mr. L. P. Fennimore, commercial director of the American-owned concern, said that reference to a 25 per cent increase had failed to point out inclusion of two previous pay awards made to the 100 salesmen involved.

The CAC award was said to have amounted to an average of only 10.1 per cent, excluding the company's normal 5 per cent progressional payment made on October 1 and a 5 per cent Phase Four increase paid on October 1. The two payments would have been made irrespective of the CAC award.

The company added that the CAC did not alter the provisions of the company's incentive payments scheme for representatives which was improved on its own initiative in September last year.

Private coach operators receive ACAS findings

BY OUR LABOUR STAFF

BRITAIN'S private coach operators should consider forming a national association to improve industrial relations in the industry.

This is one of the findings of a three-man inquiry by the Advisory, Conciliation and Arbitration Service, begun two years ago at the request of the Transport and General Workers' Union.

The report says that the greatest obstacle to any negotiations or even exchanges of view with the employers' is the absence of an association representing a majority of coaching operators, and it could benefit the whole industry if some form of voluntary negotiating machinery was set up.

There are 5-6,000 private coaching operators of whom about 4,000 may have employees, including about 36,000 regular full and part-time drivers. There are three major employer groups which are parties to regional agreements. The inquiry proposes the formation of a coach operators' liaison committee, based initially n these three groups.

The inquiry also concluded that if broad based voluntary bargaining did not develop, unions and employers might jointly ask the Government to set up a Satutory Joint Industrial Council.

The committee of inquiry consisted of Mr. J. A. Hanlon Recorder of the Crown Court; Mr. J. M. Birch, former deputy chairman of Birch Brothers, the bus and coach operators; and Sir Harry Nicholas, former general secretary of the Labour Party and a former active general secretary of the TGWU.

Industrial Relations in the Coaching Industry; (200 pages); published by A.C.A.S., Cleland House, S.W.1P 4ND.

Lorry pickets' attitude hardens

English breakfast on ice at Tilbury

BY LYNTON McLAIN

A VITAL ingredient of more than 1m British breakfasts, bacon, is trapped on Tilbury docks.

Until yesterday the regular weekly consignment of Polish bacon—all 240 tons of it—had been allowed through the picket lines of striking drivers.

But a marked hardening of attitudes among the strikers, and members of the local strike committee of the Transport and General Workers' Union, forestalled any likelihood of the bacon, and many other cargoes, being released this week.

"It was just like the KGB in there," one seasoned transport manager said after emerging from a fruitless meeting with the strike committee.

He had raced to the union branch office in Calcutta Road, Tilbury, after a desperate telephone call from one of his drivers.

The driver had been allowed by the pickets to collect up to two loads of animal feed for Suffolk farms each day since the strike started over three weeks ago.

Yesterday he was almost in tears. He was not a member of the TGWU or any other union and he did not want to join.

But the local strike committee at Tilbury ruled yesterday morning that only card-holding members of the TGWU would be allowed across the picket lines.

This policy, in defiance of the union code of practice, has already stopped vital cargoes at other ports, including Liverpool. It was greeted by Port of London Authority officials at Tilbury docks with dismay.

The port is already losing £1 a week as a direct result of the strike by lorry-drivers. Yesterday 300 dockers, half a single shift on general cargo work, were sent home as the flow of export cargoes came to an almost complete stop.

The PLA faced an acute financial crisis before the strike began, and is expected to report operational losses of up to £7m for the year ending in April.

Almost 75 per cent of PLA fixed costs are accounted for by dockers' pay.

The men cannot be laid off as in other industries, and the port's scarce resources are draining away in wages, while almost no income is coming from shippers.

Nearly 20 vessels have been diverted from Tilbury, and more are expected to be before the week is out, Mr. Peter Chambers, the docks manager, said yesterday.

The port had reached saturation point on its timber and forest products terminals, and the container terminal was also full.

The port was at a standstill. On a normal working weekday the noise from the container straddle cranes is so great that conversations in the operations centre would be impossible but for the double glazing.

Air-conditioning installed to avoid open windows was the only noticeable noise.

MR. PETER CHAMBERS: Saturation point.

There was little noise either from the pickets, wet, frozen and disconsolate outside Gate No. 1. Outside Gate No. 2 chess was in progress. The four pickets on duty seemed resigned to more chess, more stalemate.

The pickets of gate No. 1 refused to talk to journalists. They said they were under instructions from the local strike committee. One said the reason was that the newspapers "always told a pack of lies."

In Calcutta Road the union official manning the front desk also refused to talk about local experiences in the three weeks of the strike. He called upstairs for guidance from the strike committee, whose members also refused to talk.

This reception was not reserved only for journalists. The committee refused to talk to at least one owner-driver who arrived with a load of wheat for milling at the Tilbury grain terminal.

He was not a union member and was told that unless he joined he would not be allowed to take his load through the dock gates.

He told the strikers that he had to offload the wheat so that he could return to Bury St. Edmunds to collect coal for an old people's home.

The transport manager tried a second time to persuade the strike committee to let his driver through to collect animal feed. This time he went armed with the outcome of a conversation with Mr. Alex Kitson, the TGWU official masterminding the picketing.

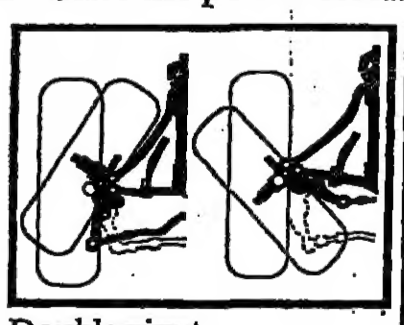
He said he was told by Mr. Kitson that there was nothing he could do to control his members at grass roots level.

Reality is the moment when one buys a BMW rather than a car.

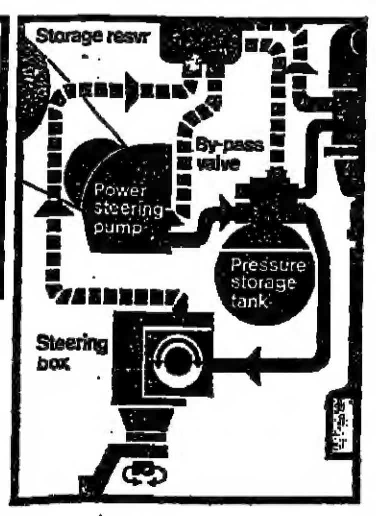
Compromise, in automotive engineering, seems to be the rule rather than the exception. BMW regard this as unnecessary. As soon as one closely examines or drives a BMW one realises that it is the sense of balance, not compromise, that gives a BMW its unmistakable character.

The BMW 7 Series are luxury cars. The discreet design reflects the solid quality found throughout. It is that certain kind of quality that one takes pride in. It offers other, more practical, advantages. Inside there's a sense of quiet spaciousness. The seats and ventilation encourage a relaxed alertness rather than soporific comfort and on today's crowded roads this is an important aspect of active safety.

Whilst the 7 Series are refined luxury cars they are, equally, drivers' cars. The three models in the range offer three different engine capacities–2.8, 3.0 and 3.3 litres, the latter with electronic fuel injection. Each produces very high power to litre ratios and excellent fuel economy. The chassis, with its new double pivot front suspension, offers handling incomparable in this size of car. The power steering is speed-related. As the engine speed increases a pressure relief valve draws off hydraulic fluid before it reaches the power steering box. The result is that one gets maximum power for steering at parking speeds, then diminishing assistance as speed increases to give greater road 'feel.' However, if at speed the front wheels hit severe bumps, or a tyre deflates, then the steering power immediately increases again to cope with the extra forces created.



Double pivot front suspension.



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This attention to design is found throughout the BMW 7 Series. The sum of them all make the realities of driving an exceptional pleasure.

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UK NEWS — PARLIAMENT and POLITICS

Coggan condemns 'pitiless' strikers

IN A sweeping attack on "pitiless industrial action," the Archbishop of Canterbury last night told the unions "enough is enough"—and called for a return to normal procedures for settling disputes.

When the Lords yesterday turned their attention to the present industrial chaos the Archbishop, Dr. Donald Coggan, condemned the irresponsible use of strikes, which hurt the defenceless members of society, the sick and the elderly.

He appealed to the three political parties to sink their differences during the crisis and work together for reconciliation.

"The right to strike is being used far too soon and far too readily and far too *irresponsibly*," *he said.*

"Strikes are the last resort when all else had failed, not a game of monopoly with no moral issues involved."

The strikers' main points had been made. "I believe that the average Britisher has the right to say 'enough is enough' and look for a return to normal procedures for settling disputes." "The shee pitilessness of much of what is going on now has imprinted itself on my mind."

Damage had been inflicted on parties in no way involved in the disputes and the public was being made to suffer, especially those who were the most defenceless.

"Personal and sectional interests are being made to appear *more important* than the welfare of the whole community and the nation at large, and this introduces a cancer into our society."

Dr. Coggan insisted that there were *a great many union* members who cared about the community but who felt entirely powerless to do anything about it because our power structures had gone wrong.

Men like these knew that the standard cry of "more and more and hang the consequences" would lead to the destruction of their country and in the end themselves.

The Archbishop appealed for "a getting together of our three parties at this time of crisis."

"Could we not set aside party politics and build on the very large element of what we have in common?"

He also called for the creation of an independent All-Party Commission, including representatives of employers and unions, committed to open the way to reconciliation and unity and to produce guidelines for new legislation.

Action had to be taken over the present industrial action "before this country bleeds to death from the wounds it is inflicting on itself," Lord Carrington, Leader of the Tory peers, warned yesterday.

Opening a debate in the Lords on the crisis, he said the Opposition would support any Government that acted. "I don't care who does it as long as it is done, because our salvation depends on it."

The Government was in a unique position to take strong and postive action to restore the balance of industrial power—to bring the pendulum once more back into the centre, said Lord Carrington.

He hoped time was available to change the attitude of those "who are leading their fellow men and women to what I think is disaster."

The lessons of 1975 and 1976 did not seem to have been learned. Inflation and inflationary wage packets did the greatest possible damage to the ordinary man and woman.

He did not think a solution could be found in the Liberal Party's proposal for a return to a statutory incomes policy. Responsible free collective bargaining was the best approach.

"The difficulty is that you can have free colective bargaining quite easily but responsibility seems harder to achieve and difficult because the balance of power is now out of all proportion in favour of those who have the muscle—if they so wish to use it—to paralyse our national life."

Lord Carrington said the pendulum had swung too far. Neither the employers nor the Government seemed to have the authority to withstand the massive rights, privileges and immunity of the trade unions.

Something should be done to restore the balance and bring the pendulum back to the centre.

Lord Peart, Leader of the House, welcomed Lord Carrington's speech *as constructive* and forceful. He agreed with a large part of it.

He did not wish to underestimate the scale and widespread impact of the dislocation. But we were still a long way from empty supermarket shelves, animal cannibalism on farms, or the million workers laid off forecast a week or so ago.

The real cause for concern was the threat to the Government's widely-supported and successful anti-inflation policies and the question this raised about the general framework in which industrial relations were conducted.

Lord Peart said about 200,000 workers had been laid off so far. "The difference between the dire forecast and reality shows the adaptability and resilience of British industry."

The Government had no intention of abandoning its 5 per cent pay policy. It had tried to be flexible to encourage moderate settlements.

He insisted, however, that there was cause for great concern about the methods adopted by some groups of workers.

There had been decisions to impose deliberate hardship on the community, even withdrawing emergency services. "This is indeed a desperate situation and one incompatible with a *humane and tolerant society.*"

Lord Peart urged those involved in industrial action to consider whether they wanted a society run "in this arbitrary and callous way."

For the Liberals, Viscount Simon said the present industrial situation was intolerable. The patience of the public was near exhaustion and when that happened great dangers lay just over the horizon.

He called for a statutory wages policy, because it was fairer, and the resuscitation of a body like *the* Prices and Incomes Board.

There should also be wider agreement between *the political* parties on industrial relations, and more worker-participation.

'Absurd' security scare

A SECRET session of Parliament should be convened to hear *intelligence* reports on the roll of "sinister elements" in the present industrial crisis, a Tory backbencher demanded yesterday.

The suggestion, from Mr. Ian Lloyd (C, Havant and Waterloo), was rejected by Mr. Michael Foot, Leader of the House, who said it was "an absurd piece of scaremongering."

Mr. Lloyd had warned that the integrity of the state had already been undermined. "There is at least a plausible assumption that sinister elements are at work."

Tough line urged on union leaders

BY IVOR OWEN

WHEN THE Prime Minister meets the TUC general council on Monday, he will urge union leaders to exert their authority to prevent strikes being called in advance of negotiations.

Mr. Callaghan made this clear in the Commons yesterday while again defending the Government's refusal to be rushed into declaring a state of emergency to deal with the dislocation caused by the present industrial unrest.

In a series of Ministerial statements, MPs were assured that there is no danger of an immediate shortage of food in the shops, and that there is no question of closure at Queen Elizabeth Hospital, Birmingham, *which has sent cancer paitents* home because of the blockading of supplies by pickets.

Mr. Sam Silkin, the Attorney-General, ruled out any immediate change in the law on picketing, and reaffirmed that a driver who wishes to drive across a picket line is in law entirely free to do so, so long as he drives in a lawful manner.

The Prime Minister, who stressed that even if the services were called in there would not be sufficient vehicles or drivers to effectively replace all the striking lorry drivers, commented that it was often out of crisis that Britain found some solution for its problems.

He indicated his intention to *discuss* the control *which* union leaders are able to exercise over their members, after emphasising the extent of the dislocation which relatively few workers are able to cause and the fact that, on occasions, negotiations seemed to be preceded by strikes.

"Contrary to the view often expressed by certain Ms," he said. "They do not seem to be able to have sufficient control *over their own members.*"

Amid Tory cheers, Mrs. Margaret Thatcher protested that the Government had not taken effective action to ensure essential supplies *despite* the fact that raw materials were not getting through to the factories and that exports were stranded at the ports.

The Prime Minister, she said, should act with the authority of his office, and if lacking the courage to do so, resign.

Mr. Callaghan shrugged aside her resignation demand and insisted that the Government was acting with good sense in trying to ensure that essential supplies got through.

But *he was more conciliatory* towards Mrs. Thatcher's earlier suggestions that "no strike" agreements should be negotiated with workers responsible for essential services and that the Government should act to encourage unions to hold postal *ballots on key issues.*

At the same time, the Prime Minister pointed to the difficulties in both these areas, and suggested that the main question at issue was the sort of society wanted by the British people.

"This is a totally acquisitive society," he said "and some people are practicing what Conservative MPs preach."

Mr. John Pardoe (L North *Cornwall), the party spokesman* on economic affairs, retorted, "if this is a acquisitive society, we are making a very poor job of it.'

He called on the Prime Minister to tell the TUC that the only alternative now open was a rational incomes policy which would have to be enforced by the unions or by the Government.

Failing agreement with the TUC, said Mr. Pardoe, the Government should introduce an immediate wage freeze to prevent "an astronomical rate of inflation."

Mr. Callaghan replied that Mr. Pardoe was advocating *remedies which had been tried* before, as if they offered a panacea.

In reporting on the distribution of food supplies, Mr. John Silkin, the Minister of Agriculture, said that there had been *improvements in Northern Ireland,* South Humberside, Sheerness and Southampton.

There had been some improvement also at Tilbury and a major improvement at Purfleet, which was especially important for supplies of margarine, which had been causing concern.

Mr. Silkin admitted that in the case of Merseyside, Avonmouth and Hull, there had been no change in the position. But the Government was taking the matter up further with the unions.

"There has been some easing of the difficulties in packaging materials for example in glass bottles and tin cans. But supplies of packaging materials in general are not as good as I would like, and the position needs to be watched, on a day-to-day basis."

Mr. Silkin acknowledged the need for continuing concern over food supplies in the "pipeline" but supplies in the shops of butter, imported bacon, sugar and margarine and frozen foods had improved.

The supply of animal feeding *stuffs remained reasonable.*

Finally he underlined that potentially the situation remains serious. After what had occurred, the chain of production and distribution might take some time to return to normal.

Skinner hunts for pickets

LEFTWINGER Mr. Dennis Skinner, told the Commons last night that he had been searching around this morning for a suitable picket line for the Prime Minister to cross.

He suggested Mr. Callaghan and some of his Cabinet should pass by Mr. "Duke" Hussey and his fellow executives at Times Newspapers who, he claimed, had locked out thousands *of workers.*

Mr. Callaghan said earlier this week that he would be prepared to cross a picket line if he thought it right to do so.

Hovercraft hint

THE GOVERNMENT is seeking an invitation for Britain's hovercraft interests to visit China to explain what they can offer, Mr. John Smith, Trade Secretary, said in a Commons reply last night.

Airport report

THE GOVERNMENT hopes to publish in the autumn an evaluation of specific sites for additional airport capacity for the South-east of England, Mr. Clinton Davis, Trade Under-Secretary, told the Commons in a written reply last night. The document would be a basis for consultation.

Police 'should enforce laws'

THE POLICE should be asked to investigate allegations of intimidation and extortion by pickets, Mr. Sam Silkin, the Attorney General said in the Commons yesterday.

nI a statement on the law on *picketing, he said it was for the* police to take action to enforce the criminal law, and it was for those who suffered damage in consequence of civil wrongs to bring civil proceedings in the courts to restrain the commission of those civil wrongs or to recover damages.

Section 15 of the Trades Union and Labour Relations Act 1974 applied both to the criminal and to the civil law. *Its effect was that peaceful* picketing as defined in the section was not unlawful.

Mr. Silkin stated that peaceful picketing was the attendance of one or more persons at or near somebody's place of work or business or anywhere else except his home.

The protection of Section 15 was given if the attendance was in contemplation of furtherance of a trade dispute, if its sole purpose was to give or receive information or to persuade somebody to work or not to work and if it was peaceful.

The criminal law made no distinction between so-called "*primary*" and "*secondary*" picketing. But it did not permit acts which apart from Section 15 were breaches of the criminal law.

"It follows that whether or not in the course of picketing the criminal law is broken by violence, extortion, obstructing the highway or obstructing the police in the reasonable execution of their duty. Pickets may lawfully indicate to a driver their wish peacefully to communicate with him, but no law requires him to stop.

"If a picket obstructs the highway in order to cause him to stop that is a breach of the criminal law, and Section 15 is *no defence.*"

Mr. Silkin stated that a driver who wished to drive past a picket line was in law entirely free *to do so, so long as he* drove in a lawful manner.

He told MPs that protection from civil action was dependent on whether the persuasion which was the object of the picketing was in contemplation or furtherance of a trade dispute.

This could not be determined by *the very loose terms* "*primary*" and "*secondary*" picketing.

"But under recent decisions of the courts the test applied seems to have been whether the industrial action complained of has been so remote from the original trade dispute as to be reasonably likely to further it," he said.

"You can lawfully seek to ensure that your employers' supplier does not supply him.

"But if he continues to do so and you then seek to ensure that the supplier to that supplier does not supply him, the decisions of the court suggest that you are entering the area of potential remoteness where the Section 13 runs out.

"In both cases, the terms '*secondary picketing*' *would be* apt but the legal consequences would be quite different," he.

Faithful readership

By Max Wilkinson

THE MAJORITY of former readers of the Sunday Times will buy it again when it resumes *publication, according to results of a survey commis*sioned by Times Newspapers.

The survey, based on interviews with 1,400 readers in four waves indicates that about 95 per cent of those now reading an alternative will switch back to the Sunday Times when it re-appears.

Publication of The Times, the Sunday Times and the three supplements was suspended on November 30, 1978, because the management failed to secure enough union agreement to a series of documents intended to guarantee uninterrupted production and to pave the way for the introduction of computer technology and reduced manning.

About 45 *per cent of* those interviewed were reading an alternative paper

Local power sought for EEC decisions

BY REGINALD DALE, EUROPEAN EDITOR

THE BRITISH Government wants decision-making power in the EEC to remain firmly in national hands in the years ahead.

This was the central theme of a British blueprint for an enlarged 12-nation Community sketched out in London yesterday by Mr. Frank Judd, Minister of State at the Foreign and Commonwealth Office.

Mr. Judd told a conference organised by the European League for Economic Co-operation that the UK looked forward to "a Community of 12 independent, freely and closely co-operating nations" after Greece, Portugal and Spain had become members.

He hoped that all three countries would have joined by 1983 at the latest, with Greece leading the way in 1980 or the beginning of 1981.

Decision-making, however, must remain firmly in the hands of Ministers at the European Council and the Council of Ministers—Ministers who would be clearly accountable to their domestic Parliaments.

The directly elected European Parliament should be no more than "a forum for generating common concern and understanding throughout the member countries about the internal and external issues which confront us all," in Mr. *Judd's view.*

The Community was not an end in itself, Mr. Judd said. History would judge it by the extent to which it succeeded in grappling with economic and social problems such as unemployment, the age of the silicon chip, the crises of the steel and shipbuilding industries and relations with developing countries.

Britain would pursue its national interests as vigorously and forthrightly as the other member states, particularly on fisheries and the Common Agricultural Policy.

"What we are not prepared to envisage is a bill of £1bn per year to Britain for an agriculture policy which we believe is manifestly wrong and inefficient," Mr. Judd said.

Seat belts legislation revived

By Elinor Goodman

THE GOVERNMENT is to have another attempt to make wearing of seat belts compulsory. The Road Traffic (Seat Belts) Bill was given its formal first reading yesterday as the first stage in what is likely to be an uphill attempt to get it on the statute book.

The Bill is the fifth attempt *to legislate on safety belts.*

Successive governments have tried to get such a measure through the House but have failed because of opposition from those who regard any such legislation as an infringement of individual freedom.

MPs, who in 1976 rejected a similar measure, will again be allowed a free vote

The Department of Transport, which is sponsoring the Bill, *claims that there is a good* chance it will succeed this time i

Mr. William Rodgers, the Transport Secretary, will use all his influence to get it through the House. There is also some evidence that the Bill will have a slightly easier time than previously in the House of Lords.

Government firm on economic policies

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN APPARENTLY concerted campaign of speeches by Treasury Ministers on inflation was reinforced last night by Mr. Robert Sheldon, the Financial Secretary, who reiterated the pledge that the Government would not relax on the monetary and fiscal fronts and will take *further action if necessary.*

Speaking to the annual dinner of the Association of Manufacturers' of Domestic Eelectrical Appliances, he warned that "if earnings rise excessively, the results would be very unpleasant — bankruptcies and higher unemployment."

"It is certainly not the way we would choose—moderate pay settlements offer a better and more stable approach.

"But we have all learnt enough from 1974-75 to know that allowing inflation to spiral is not an acceptable course."

Mr. Sheldon also claimed that the majority of settlements had been within the guidelines. "What is more the great majority of settlements in breach have been within single figures. Settlements in breach in double figures are rare indeed."

BSC statement wanted

MPS IN the East Midlands group of the Parliamentary Labour Party have agreed to support a day motion to be put down in the Commons by Sir Geoffrey de Freitas, the MP for Corby, Northants.

He will call for an immediate Government statement on the future of steelmaking at Corby's British Steel Corporation plant.

A special report just released claims a total shut-down of the plant could increase Corby's unemployment rate to 30 per cent.

Trade unionists and councillors at Corby have been campaigning for months for a statement on whether steelmaking is to be phased out as an economy measure. The Corporation has refused to make any comment.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Purchasers pursue prizes

PURCHASING is still very much a Cinderella function in many companies. Slowly, though, awareness is increasing of the range of economies that can be achieved if greater priority is given to controlling the activities of buying departments and to their monitoring by senior management.

It was to give a boost to the purchasing function that an annual competition was started in 1977 to find a "Buyer of the Year." Now the third such competition is under way with a £1,000 cash prize and trophy again being offered to the winner. Second and third prizes are £350 and £150 respectively.

Sponsors are the Ravensdown Metals Group and the magazine, Modern Purchasing. Ravensdown is in the stainless steel and aluminium stockholding business. It also has an engineering division engaged in such activities as manufacturing fasteners, stainless steel swimming pool products, and aluminium double glazing, double doors, and solar panels.

The competition begins with a series of written questions concerning aspects of a buyer's business that he or she might face at any time. Three qualifying rounds will whittle down the number to six finalists who will then have a face-to-face confrontation with the judges. The awards will be presented in May by Sir Derek Ezra, chairman of the National Coal Board.

Judges

Among the judges are Bryan Duffield, managing director of Ravensdown, David Sheridan, purchasing director of Whitbread, the brewers, who devised the competition, and Michael Newboult, of the British Steel Corporation, who is also chairman of the Institute of Purchasing and Supply training and assessment committee.

Previous winners have benefitted in their jobs by the competition. The 1977 winner's employer provided sponsorship for him to attend university, while last year's winner was subsequently promoted to the position of materials controller, with wide ranging responsibilities.

The closing date for the competition is March 1, 1979. Entry forms are available either from Ravensdown Metals Group, Rockware Avenue, Greenford, Middlesex, or from Modern Purchasing, at 30 Old Burlington Street, London, W.1.

Nicholas Leslie

Rhys David describes how a trust came to be set up which aims to link a community's resources with budding entrepreneurs anxious to set up their own business

Promoting people–not projects

ST. HELENS in Merseyside, as everyone knows, is where they make glass. Over recent months it has also been the scene of an unusual project, which adds a new facet to the efforts of big business—including groups such as Shell, BP, ICI and Marks and Spencer—to help entrepreneurs and small companies.

The project is a trust set up with the backing of a number of companies in the town including Pilkington Brothers, but embracing also the local authority and trade unions. The aim is to provide a bridge which will link the various resources available in the community with the entrepreneur anxious to start his own business, but afraid of burning his fingers.

St. Helens, with a population of 190,000, in many ways provides an ideal test-bed for such an experiment. Like the rest of Merseyside, with which it has been rather incongruously linked since local government reform in 1974, it has a high rate of unemployment, currently around 9 per cent. At the same time it also remains relatively independent within the new county structure, retaining a strong local sense of community, much of it expressed in support of the town's successful rugby league side, the Saints.

Paternalistic

Although it has never been short of ideas, as a string of innovations in the glass industry indicates, it has not been particularly fertile ground for the development of small business in the past. This has been due very largely to the self-sufficiency of the big glass producers, drawn to the town originally by the combination of sand and coal. Unlike engineering for example, glass-making does not depend on a variety of bought-in components from local suppliers.

Yet, as the process of technological change in the glass industry continues, the contribution which the town's glass producers—which include Rockware and United Glass, as well as Pilkington Bros.—can make to employment will decline. Pilkington itself announced earlier this year a major investment programme costing £70m but resulting ultimately in the loss of 280 jobs.

All this was enough to persuade Pilkington to ask if there were ways in which it could encourage the growth of new enterprises to take up some of the existing unemployment and ease the job losses still to come. The company set up its own study in 1976 which recommended giving support to four specific business prospects which had been identified for the town, and this idea was endorsed by the chairman of the local district manpower committee who secured Manpower Services Commission (MSC) funding for a survey of practical possibilities.

Bill Humphrey: "Small firms are essentially created by people with drive and commitment and they must be the starting point."

But this approach was largely rejected with the arrival on the scene of Mr. Bill Humphrey, a former director of a Pilkington overseas subsidiary, who was invited to run the scheme after successfully directing the Elephant jobs project, a training scheme for young people financed by the Government under the jobs creation programme.

"Making plans and fitting people in is a natural organisation approach and can work where large capital funds are on tap. Small firms are essentially created by people with drive and commitment they must be the starting point," he explains. He agreed to take on the scheme provided it was people, and not project, orientated. There were also good reasons in his view for not wanting a scheme too heavily identified with Pilkingtons, which because of its size is always in some danger in St. Helens of appearing either dominant or paternalistic.

Mr. Humphrey's proposal instead was to create the St. Helen's Trust, a body which would draw on the community as a whole and provide a network of resources which small men starting up in business or expanding, facing difficulties might require. It was also his belief that money should be just one of these resources and not necessarily the most important.

The Trust aims to help, for example, the man with a bright idea but no business experience. The potential entrepreneur who has been in salaried employment is not likely to have a good working knowledge of company taxation, employment laws or health and safety requirements, and here the Trust can offer real help.

Finding suitable premises, judging by the experience of many businessmen helped by the Trust, is also a major headache. The new businessman may want help, too, in working his way through the jungle of planning laws, or he may just want a sounding-board for his ideas, Bill Humphrey points out.

With the aim of filling some of these gaps the Trust was accordingly set up in July in an old grammar school owned by Pilkington and located opposite its main works. A target of £250,000 to meet requests for financial aid and other expenses has been set, and so far contributions of £50,000 have been received from Pilkington, together with £7,500 from United Glass and £5,000 from Rockware. The Trust has also been advanced £25,000 from Merseyside County Council to run CHASE (County Help for Active Small Enterprises), its incentive scheme in St. Helens.

The first few months of operation have confirmed Bill Humphrey's belief that the main need is for non-financial help and assistance. To help provide this he has been joined in the Trust by Mr. Brian Coxtend, a training manager seconded from Pilkington, part of whose job is to find potential entrepreneurs and help them set up in business. The Midland Bank has also seconded Mr. Phil Lees, a manager, to help assess schemes and give financial guidance, and the Trust also has a call on the part-time services of two Pilkington technical experts to look at the merits of schemes put before them and to help ease the birth pangs of new processes or inventions.

This group, together with a secretary (whose salary, like that of Bill Humphrey, is paid by MSC) make up the staff but there also exists a wide range of expertise and help which can be called on. A panel of 20 accountants within Pilkington have made themselves available to offer help to new businesses, and similar arrangements exist with other professions.

The organisation of the Trust's board also ensures that there is access to senior decision-makers and to those in charge of major services within the town. The board is chaired by Mr. Antony Pilkington, chairman designate of the glassmakers, and the company is also represented by another main board member Dr. D. Oliver. St. Helens District Council itself has three members on the trust's board, and Rockware, Lennons, the supermarket group, the Chamber of Commerce, the General and Municipal Workers' Union and National Westminster Bank each have one.

Payroll

The trust also incorporates a number of other ideas, including the establishment of some common services on a non-profit basis, such as payroll facilities. It will also be trying to persuade its own backers to create resources which can be used by small businesses. Pilkington, for example, is already releasing some older property for use by small concerns, and is building an estate of eight nursery factories ranging in size from 550 sq ft to 1,500 sq ft.

With this sort of back-up from within the community the Trust believes there are few potentially viable projects which will fail to find the support they require. In the first six months of operation the Trust has now seen a total of 116 possible clients and it has proved possible to offer some form of help to roughly two thirds of these.

One of the first was a company based in nearby Warrington, Lockie Envelopes, a printer and manufacturer of around 250,000 envelopes a day for charity collections and which over the past five years has seen a major increase in its turnover to around £180,000. After approaching the Trust in July Lockie was occupying a new 6,000 sq ft unit by the end of September. All but one of the company's 20 existing employees made the move from Warrington and an extra seven people were taken on. The Trust's main usefulness, according to Mr. Richard Coxon, Lockie's managing director, had been in saving the company's time by ensuring it saw the right people.

Another company, Volante Engineering, with a turnover of £100,000, in mechanical handling equipment — mostly specially made conveyors — was again looking for new and less cramped premises to expand production.

The company, which was started seven years ago was unhappy with the premises offered by commercial developers and unwilling to accept the terms of the lease demanded by the Government-backed English Industrial Estates Corporation. The trust, through its links with the local council, was able to come up with a piece of land on which Volante will build to its own requirements.

The trust has also attracted a new toiletries project planned by Coralpine—a Liverpool-based company of retailers and wholesalers which is moving into the manufacture of bath salts, deodorants, hair sprays and the like. The company, which has a £2m turnover from its present range of activities, began its search for a manufacturing site with the Department of Industry in Manchester and was provided with a list of contacts including the St. Helens Trust. "We were looking for a small clean semi-prestige manufacturing unit with office accommodation and close to good working class housing to provide us with a labour force," says David Ginsberg, the managing director.

After a tour of several possible locations in the area, including New Towns and Liverpool itself, Coralpine settled on St. Helens largely due to the efforts of the Trust. The company's operation in St. Helens will consist very largely of compounding base materials and fragrances produced by the big chemical companies and these will be distributed to supermarkets and other discount outlets where they will compete on price with heavily promoted branded lines.

In these cases the main requirement was premises but there have been occasions when other services have had to be called on, as for example with Leach Lane Motors. Its founders, two mechanics from a local garage had some time ago spotted the need for repair of glass fibre car bodies, as used for example on Reliants and some sports cars. At present because of the high cost of replacement sections insurance companies are having to write off many partly damaged vehicles.

Mr. Allan Davies and Anthony Cowley, were correct in their assessment of the demand, but because of the way in which their own business was booming they needed larger premises and help in coping with the accounting problems of a growing turnover. The Trust put them in touch with an accountant—who equipped them with a book-keeping system—and with a lawyer. The trust has also found them a former garage premises complete with ramp and spray booth, and helped them find finance for their move.

It is also arranging for them to learn more about glass fibre moulding techniques on a course run by Fibreglass. Following the move into new premises the company is also hoping to develop further an idea for reducing wind drag on caravans. Many high vehicles now carry air deflectors above the cab to reduce drag and improve fuel consumption. Mr. Allan Davies believes that a similar glass fibre device could be made for attachment to car roof racks. He is hoping that the Trust will help him to test the device in wind tunnels.

In nearly all these cases the Trust's role has been mainly to oil the wheels and it has so far found only one project out of 100 where it has been called upon to make a decision as to whether or not to commit its resources rather than arrange for help from normal commercial channels. Under the rules it has drawn up for itself money is only advanced when no other finance is available and any project that is supported must have a sound chance of success.

The project which the trust is proposing to back by direct financial injection is the manufacture of a new type of wall-covering made from shoe leather offcuts using a system devised by Mr. Adrian Emck, a London-based designer. The process, which has been patented, involves glueing the material to paper, and raising the surface to produce a suede effect. It offers the prospect of tapping a large and rich potential market while at the same time remaining labour-intensive. The Trust will be advancing a substantial sum towards the initial cost of £40,000 of setting up the project and will be helping to secure other funds from normal commercial sources. It will also be making available to Mr. Emck the advice of an engineer and an accountant to ease his transition into the world of business.

Co-ordinating

The hope of the Trust is that by co-ordinating all the resources available within a community like St. Helens and by simplifying the procedure through which the potential entrepreneur must pass, the frustration and the fears behind setting up or expanding a business will be removed.

Part of the problem at present, according to Mr. Humphrey, is that the machinery which local authorities have for attracting industry is geared mainly to persuading companies to move from one part of the country to another, and in this they are in competition with every other part of the country. At Government level the battery of aids available requires that the first steps in setting up new industry have already been made.

"If St. Helens was to rely on the existing mechanisms the prospects for future employment would not be bright. There is an alternative which is for the whole community to marshal its resources and focus its efforts to create new wealth," he states.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Wood-plastic hybrid

DEVELOPED DURING the 1950s at the Atomic Energy Authority, a technique for improving the properties of wood out of all recognition, while retaining the feel and aspect of the grain, is now gaining wider acceptance, thanks in part to work at two UK companies — Lignostone and British Industrial Plastics.

By impregnating various types of timber with selected Beetle synthetic resins, materials with novel and very attractive properties may be produced. The resin is applied to the timber in the rough state, after kiln drying, and the impregnated material is then subjected to intense irradiation from a Cobalt-60 or other source.

This causes the resin to cure completely and adhere strongly and intimately to the internal structure of the wood. The process is operated to generate minimal heat and thus there is no warping, shrinking or fibre degradation.

The cured block is stronger, harder and much more durable than timber and has greatly improved resistance to moisture, chemicals, insects and fungal growth.

Machining is carried out with conventional equipment but carbide-tipped tools give greater benefit.

British Industrial Plastics, POB 11, Tat Bank Road, Oldbury, Warley, West Midlands. 021-552 1551.

● ENERGY

Hopes for solar cell work

AMERICA IS paying increasing attention to future solar energy applications and the 1980 Budget now before Congress provides 40 per cent more funds than were available this year for research into it.

One aspect being studied is using photovoltaic cells, which have long been applied to produce electricity aboard spacecraft from direct sunlight, for terrestial needs.

The nub of the problem is that making the cells is expensive. Present costs are more £5.50 ($11) a peak watt—the amount of power that can be generated in bright sunshine—and thus very high despite the longevity of this power producing device.

The aim of a study by Lockheed for the U.S. Department of Energy, is to see how, over the next ten years this cost could be reduced to 25p (11c) per peak watt. Under consideration are what aspects of current production methods should be retained and how they could be automated. At this much lower cost, solar power capture by the direct method becomes economically attractive.

Included in the study, due for completion in August, are experiments with ion implantation of selected impurities to form junctions enabling the cells to generate current more efficiently, and laser annealing, which could replace expensive thermal processes now used to distribute impurities.

Under another Department of Energy contract, a 30 kilowatt photovoltaic system is being designed to power pumps and other equipment in an existing solar heating and cooling system in the community centre at Santa Clara, California. This would result in a complete application of solar power at the centre which now gets 85 per cent of its heating and 60 per cent of its cooling needs from rooftop solar panels.

The system would consist primarily of 160 arrays of photovoltaic cells, each array four feet by eight feet.

Each of these three-inch cells in the Lockheed test array can deliver ½-Watt peak from direct sunshine.

This photovoltaic (PV) system would be connected to the public electricity supply through electronic switches so the load could automatically be shifted from the PV to the public supply as required. Conversely any excess PV power could be fed to the public grid.

Lockheed Missiles and Space Company, Sunnyvale, California 94088, U.S. Tel (408) 742 7442.

● PROCESSES

Chops up the scrap

FROM AMERICA comes a portable scrap chopper designed, it is said, to cut most types of wire and metal banding commonly in use. This is introduced to the UK market by Vanesco, 165 Garth Road, Morden, Surrey (01-330 0101).

It weighs just 300 lb and can be mounted directly on to a 55-gallon drum with safety anchors attached, or on a specially-designed stand that fits around a 55-gallon drum.

Transportation of the machine from site to site should be simple and it can be mounted and ready for action literally within minutes of arriving on site.

Wire or banding can be processed at the rate of up to 72 per feet minute, with a length of cut averaging between one inch and an inch and a half.

Records a clear image

LIKELY to be of interest to manufacturers of closed circuit television equipment where there is a customer need to make the clearest possible recording of stationary images, the model 4634 "image forming module" from Tektronix (Harpenden 63141) can produce paper pictures at five per minute.

Because the horizontal scan rate of a television picture is too fast for recording on dry silver sensitised paper, the system takes corresponding elements in each TV line raster, one under the other, to give a vertical line on a single line fibre optic device over which the paper passes. Thus, vertical recording lines are built up at the TV frame rate, and there must be no motion in the incoming television picture.

The machine uses a high grade of paper giving good grey scale characteristics and dense blacks even with colour signals. Cheaper paper can be used, however, where the highest quality is not needed.

Signals can be from any 50 or 60 Hz interlaced scan at up to 1029 lines, or from non-interlaced images at up to 512 lines.

● DATA PROCESSING

Design kit for micro

A PACKAGE of components from Intel, SDK-86, is based on the 8086 16 bit microprocessor chip and includes an on-board keyboard and display which provide a low cost alternative to a CRT or teletypewriter terminal.

In this way a small 8086 system can be built in a few hours using a minimum of tools. Included in the kit are 2000 bytes of read/write and 8000 bytes of read only store. Integrated circuit positions are available on the board for a further 2k bytes of read/write using the 2142 device.

Serial interface (20 mA or V24) is provided for an optional extra terminal and there are 48 parallel input/output lines. Some 256 vectored interrupts are built in.

The system can be controlled via an external terminal or from the 24 key pad with output going either to the terminal or to the on-board eight digit LED hexadecimal display.

Intel, which is at 4 Between Towns Road, Oxford (0865 771431) has also released an associated product, SDK-C86.

This consists of a cable to link the serial ports of the development system and the SDK-86, together with two diskettes (one single and one double density) containing the necessary software to allow the interchange of programs and data.

Short training courses

ONE OF the approved consultants under the Government's microprocessor applications and training scheme (Mapcon), namely Limrose of Northwich, Cheshire (0606 41696), is offering intensive short courses with practical "hands on" experience and the use of a personal microcomputer during the course.

Each two-day course is limited to six participants only and comprehensive lecture notes are provided. At various times between the end of January and the first week in April, courses will be available based upon the 8080, the 6800 and Z-80, and on special projects about which the company will supply more data on application.

Course fee in each case is £95 plus VAT, which does not include hotel accommodation.

Limrose, which has now run over 100 courses on the micro, claims to have put the first British commercial product on the market, the Microtutor 8080, in use by the Post Office for training purposes.

Support for designers

FERRANTI Computer Systems, Cheadle Heath Division, is offering companies a microprocessor applications consultancy based on 20 years of experience in design, manufacture, installation and commissioning of real-time computer-based systems.

The division will investigate a company's proposed design and advise on present and future requirements with no bias to any particular hardware, selecting the most appropriate equipment available at the time for each new application.

Consultancy is offered quite independently of the Ferranti system development or manufacturing services, and the Cheadle Heath Division will maintain separately its capability for the manufacture of prototypes and small production runs.

The division is an authorised consultant under the Department of Industry's MAPCON Scheme where UK companies may receive assistance of up to £2,000 towards the cost of consultancy in approved cases.

Sales Department, Ferranti Computer Systems, Cheadle Heath Division, Bird Hall Lane, Cheadle Heath Stockport SK3 0XQ. 061 428 0771.

● CONFERENCES

Maintenance and testing

THE SOCIETY of Electronic and Radio Technicians, which has held major symposia on the microprocessor in both 1976 and 1977, plans another for 1979 called "Microtest."

To be held at the University of Sussex from April 2 to 5, it will be organised jointly by the Institution of Electrical Engineers and the Institution of Electronic and Radio Engineers and will deal with the testing, maintenance and reliability of equipment that makes use of the micro.

From private industry there will be papers from Membrain, STL, Praxis Instruments, GEC, Fairchild, Rediffon, Teradyne, Hewlett Packard, Marconi and several other companies. Other contributions will be from the Post Office, Ministry of Defence, and the universities. Cost for a full-time residential delegate will be £135.

Further information and registration forms from the symposium secretary, SERT, Faraday House, 8 Charing Cross Road, London WC2H 0HP (01-240 1152).

● TRANSPORT

Extra tanks cut diesel fuel cost

TO ENABLE lorry fleet operators to make increased use of the lower cost fuel they can dispense from their own premises, Thermo Welded Fabrications, of Loughton, Essex, can supply 50-gallon add-on fuel tanks to lorries enabling them to travel further before refuelling.

The flat-shaped tank fits at the rear of the cab unit over the wheel arches and feeds its contents into the vehicle's original tanks.

Offering a fitting and supply service throughout the UK, the company claims that the long-distance haulier can save more than £30 a week by taking extra fuel into Europe. In the UK it is possible, claims the company, to save about 20p per gallon by fuelling at base rather than at service station prices.

Unit 5, North Farm, High Road, Loughton, Essex (01 508 3861).

● COMPONENTS

Approval obtained

KLIPPON ELECTRICALS (Power Station Road, Sheerness, (07956 3322) has announced that its TB 10-14 range of five terminal boxes has received BASEEFA certification for use in hazardous areas above ground such as petrochemical process installations and petrol station forecourts.

Each of the boxes may be fitted with the company's feed-through rail mounted terminal blocks subject to the condition that their combined current rating is not greater than an "enclosure factor" stamped on the box.

Then, the boxes are automatically deemed acceptable for installation in Zone 1 hazardous areas in the presence of group 2A, 2B and 2C gases.

THE PROPERTY MARKET BY JOHN BRENNAN

Graylaw backs Westminster

VICTOR GRAY'S Graylaw Holdings is the, until now, unnamed driving force behind the agreed takeover of the publicly quoted Westminster Property Group (WPG).

Earlier this week WPG announced that after some months of negotiation letters of intent had been exchanged on a deal whereby it will issue 9m new shares to acquire Eaglemoor, a private property group. This is, in effect, a reverse takeover as Eaglemoor's shareholding would give it 51 per cent voting control of the combined group. But who owns Eaglemoor?

Graylaw, a £40m private property, petrol sales, and industrial group, directly holds only 11 per cent of Eaglemoor's shares. But the rest of the company is owned by the family trusts of three Graylaw directors: those of Mr. Gray himself, Mr. S. Grafham, and Mr. A. C. Pond. And both Victor Gray and Stanley Grafham, Graylaw's finance director, are expected to join the WPG Board once shareholders sanction the merger.

WPG, which ran into serious problems over its Portuguese development programme following the 1974 revolution, has been discussing the terms of a major reconstruction since last autumn. Earlier this month WPG, advised by merchant bankers Dawnay Day, called for the temporary suspension of its shares (at 26½p) before completing the Eaglemoor talks. Now WPG has agreed to acquire Eaglemoor's £1.6m of properties and £200,000 cash in exchange for 9m new 20p shares issued at par. And in a parallel deal it has arranged with Sir Alfred McAlpine and Son to exchange the contractor's £0.3m of outstanding loans and guarantees to WPG's Portugese subsidiary for Westminster shares. The effect of that arrangement is to leave McAlpine with 17 per cent of the enlarged group's equity.

Ronald Edwards, WPG's chairman, says that, "since 1974 we have been operating on a negative cash flow, these arrangements finally put that right, and I feel that they open a new vista for the company . . . this is the start of something new for us and in a year or two WPG should be very active, and very big."

Mr. Edwards is awaiting the completion of 1978's consolidated accounts before releasing full details of the Eaglemoor scheme to shareholders, and before announcing Graylaw's interest. Meetings to consider the proposals are expected to be called in early March. And as McAlpine and the directors between them hold voting control, the deal looks to be a fait accompli. WPG's shares should be back on the market after that meeting.

Mr. Grafham explains that the £1.6m of recently valued property held by Eaglemoor consists of an industrial estate at Temple Fields, Harlow, where the completed buildings are tenanted by Graylaw's petrol pump manufacturing business and where permission was recently granted for further industrial development.

Mr. Grafham says that the WPG deal should not be seen as a first step towards a public quotation of Graylaw's £23m commercial property business: "This is reasonably small against the size of our group and we see it operating alongside, but quite separately from our mainstream activities." Mr. Grafham feels that with the injection of Graylaw's property management he can see "a brighter future" for WPG.

Wingate quits Wimpey

STEPHAN WINGATE has handed in his donkey jacket with the WIMPEY markings and rejoined the ranks of the self-employed. Two and a half years after George Wimpey paid £5½m for Wingate Investments, Mr. Wingate and his fellow directors, John Read and Reginald Stringer, have paid £3m cash for the less dramatic sections of Wingate's portfolio.

This appears to be one of those rare, amicable deals where everyone benefits. Wimpey is clearly not complaining. It retains Wingate's 213,000 sq ft of offices in St. Alphage House on London Wall, EC2 (where the bulk of rent reviews fall due in 1983). It also keeps the giant Wingate developments in the Minories on the City of London's eastern fringe.

In the Minorities, Wingate and Wimpey, in partnership with British Rail, London Transport, and a number of other local landowners, now have the 60,000 feet of fully let office space in Bain Dawes House and are working on a 95,300 square foot second stage of that development due for completion in the early 1980's. There is also the 331,450 square foot headquarters scheme for Overseas Containers that is now wending its way through the planning process.

Well over 1m. square feet of industrial buildings and various small shop, office and industrial properties around the country leave Wimpey with a comfortable return on its investment in Wingate. And the construction group's faith in Mr. Wingate and his team is expressed by its further retention of an option to buy 30 per cent of their newly floated company at its £1 a share par value until June 1983.

Mr. Wingate, for his part, is delighted by the move. "It is good to be self-employed again" says the chief executive of Queeneve Limited, the off-the-shelf company that holds the £3m of former Wingate properties. The properties, recently valued at that purchase price, exclude development schemes. But Mr. Wingate has "no intention of joining the rentier class."

There are no formal continuing links with Wimpey or with the investing institutions that dealt with Wingate Investments. But Mr. Wingate expects to be developing again very soon.

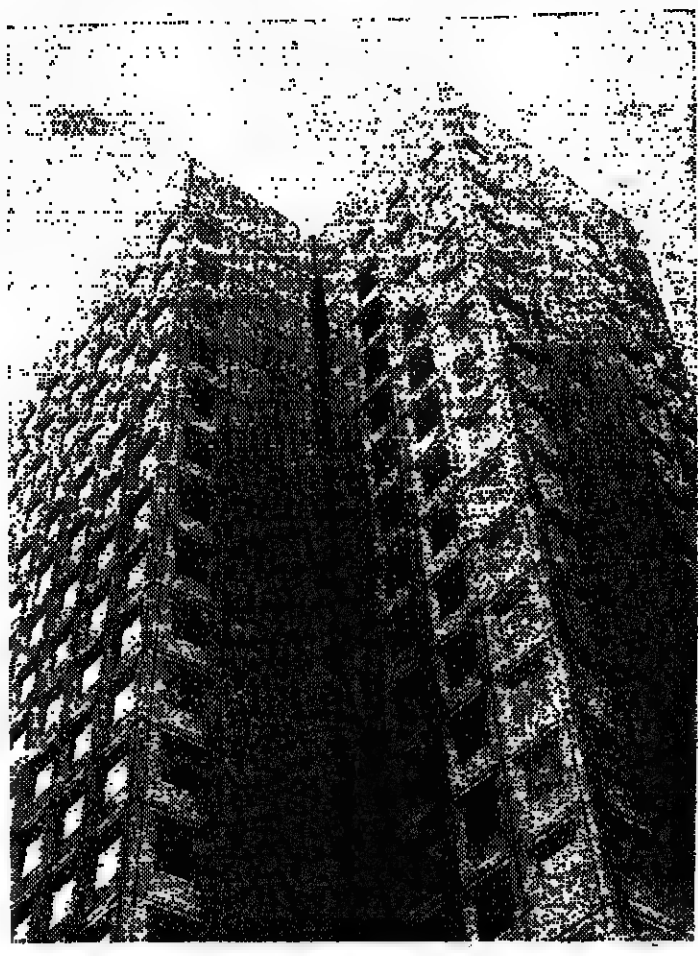
He does not accept that there is now a shortage of development situations, only a shortage of small developments; "if you are not afraid of the noughts," he says, "there are plenty of schemes around."

Property Deals appears on Page 14

Laing's Birmingham 'bargain'

Laing Properties has bowed once more to the frailties of the office letting market in Edgbaston. Eighteen months after the completion of its Three Duchess Place office tower on the Hagley Road, Edgbaston (below), Laing has slashed its asking rents by a further 75p to just £1.75 a sq ft. This week's rent cut, the second since 1977 when Laing first talked of £3.25 a sq ft for the building, makes the 120,000 sq ft block the cheapest air conditioned space now available in the Birmingham suburb.

Looking at the competition, there are only three comparable buildings with vacant space in the area. Just before Christmas MEPC reduced the asking rents on the remaining 110,000 sq ft of empty space in its 160,000 sq ft Broadway Scheme on the Hagley Road from £2.95 to £2.25 a sq ft. The unlet third of Law Land's 150,000 sq ft Tricorn House close by is on offer at £2.25 a sq ft, although there the asking rent includes office fittings. Finally, Commercial Union, having recently signed up Rank Zerox to take a third of its 150,000 sq ft developments at 54 Hagley Road, is holding out for £3.40 a sq ft.



Laing's joint letting agents, Grimley and Son and Alexander Stevens of Birmingham, report that the strongest letting demand in the area is now for units of up to 10,000 sq ft. To try to meet that demand Three Duchess Place is being offered in units of any size from just 1,100 sq ft.

Stephen Wainwright, Laings project manager, argues that the reduced asking rent is a special offer to get the letting campaign rolling again rather than any reflection on the quality of the block. He said that the building "warrants a higher rent," but that, "we will now adopt a vigorous marketing policy with a view to letting our building in 1979."

The special offer does, in fact, last for only the first three years of any lease. Laing is offering three years at £1.75 and the remaining two years to the first full rent review at £2.60, an average rent of £2.10 over the five years.

One other empty giant in Laing's portfolio, the 141,000 sq ft Whitefriars centre at Lewes Mead in the centre of Bristol, is beginning to respond to the aggressive salesmanship of the Bristol-based Office Relocation Consultants.

ORC was brought in by Laing 4 months ago to add a sharp marketing edge to joint agents J. P. Sturge and Sons and Lalonde Bros. and Parham's 4-year-old letting campaign.

ORC reports that around a quarter of the building has now been let or is under offer at "rather less" than the £3.50 a sq ft asking rent.

Last autumn Laing Properties estimated that its three main empty developments, Whitefriars, Three Duchess Place and the 69,000 sq ft Chapel High Centre at Brentwood, were draining £1.1m a year from its revenue account. Letting of all three would eliminate that deficit and, even at reduced rents, add upwards of £250,000 to its 1978 estimate of £4.65m pre-tax profits.

IN SHEFFIELD, Slough Estates has now filled 35 per cent of its 127,000 square foot Fountain Precinct development without cutting rents.

Wallace Mackenzie, Slough's managing director, feels that as there is no comparable office space available in the city centre the Precinct offices are relatively price insensitive and so he has held to his £4.50 a square foot asking rent.

Union Carbide UK, which is moving its headquarters staff from London to Sheffield, is understood to have agreed a rent close to that £4.50 rate, for 27,300 square feet in the Centre. Union Carbide becomes the Centre's fifth tenant, if one includes lettings of the night club, public house and showrooms, and Mr. Mackenzie says that the block (completed just over a year ago) is now generating around 40 per cent of its total rental income.

Even when fully let the scheme, which cost Slough around £8m, will not cover its holding costs before the first rent reviews. As Mr. Mackenzie admits, it "was not a triumph of timing." Slough is currently developing a couple of small office buildings. But Mr. Mackenzie admits that Sheffield is likely to remain Slough's largest UK office development for the foreseeable future.

INDUSTRIAL AND BUSINESS PROPERTY

PROPERTY DEALS

Henley forecasts lower yields

THE HENLEY CENTRE for Forecasting expects pension fund and insurance company investment in commercial property to rise from £1.02bn in 1978 to £8.45bn a year by 1984. That represents an increase in property investment as a proportion of total contractural savings from 13 to just under 22 per cent.

These investment forecasts, carried in the January issue of the centre's quarterly Investment Markets report, published this week, provide further strong support for the "weight of money" argument for a further dip in property buying yields.

Henley leans heavily on the surveys carried out by Michael Laurie and Partners in conjunction with the Economist Intelligence Unit, and as these surveys attempt to cover all types of commercial property (not just the "prime" investments preferred by most other surveyors) its forecasts of lower yields are made more dramatic by starting from higher base figures than would normally be shown for today's market.

Although the Centre expects lower consumer expenditure to slow the rate of shop rent growth in 1980 (to nine per cent compared to 1979's estimated 13 per cent) it forecasts that buying yields for shops will fall to 5.5 per cent between 1980 and 1982, and to five per cent in the next two years. Office rents are expected to rise by 18.6 per cent this year, 14.2 per cent in 1980, and between eight and nine per cent in the following four years. Office buying yields are expected to fall to 4.5 per cent in 1981 and to remain at that level until 1984 at least.

Average industrial rents are expected to rise by 13.2 per cent this year, although Henley expects rent increases of up to a fifth for modern motorway-linked space in the South East. It expects industrial buying yields to stay around 7.5 per cent this year falling to 6.5 per cent in 1980, and to stabilise at six per cent in the following four years.

●

SCOTTISH MUTUAL Assurance Society is providing £560,000 forward funding for the Standen House Companies' 29,300 square foot "nursery" industrial units on the Hilsea Estate, Portsmouth. Standen House, advised by L. S. Vail and Son, holds a long leasehold on the site from Portsmouth City Council and will be letting the space in 1,000 to 2,500 square foot units. On completion, Scottish Mutual, advised here by Hillier Parker May and Rowden, expects a net return of 8 per cent secured by an overriding lease held by Portsmouth Council.

●

GREMLINS gnawed the logic from some elements of a recent report in this column of Centros Properties' £0.4m office and warehouse development in Regent Street, Leeds. Local agents Eadon Lockwood and Riddle acted for Centros on the purchase of the site from motor agents *Arnold G. Wilson.* Sheffield agents Eddisons advised Wilson on the sale, and the firm remains with Eadon as joint letting agent on the 30,000 sq ft scheme. Hadfield Cawkwell Davidson and Partners of Sheffield have been retained by Centros as architects.

●

MERCHANT INVESTORS Property Fund, part of the Nationale-Nederlanden Group, expects considerable further rent growth in the office market. But it is more cautious about shop property and is now following a "highly selective" buying policy "in view of the rapid increase in rents already achieved in the sector."

MI's property fund increased from £16.8m to £23.8m in 1978 and its rent roll doubled from £0.5m to £1.1m. Offices now account for 19.3 per cent of the fund, and, because of the lack of new development MI remains an enthusiastic office buyer.

Industrial property, representing 27.4 per cent of the fund, is also still popular with *the fund. It is after existing* space let at between £1 and £2 a square foot and argues that "rent at this level, in good locations, has considerable growth potential because current construction costs make new developments let at rents below £1.40 a square foot difficult to justify commercially."

Backing that view with investment money MI, which retains Richard Ellis as its property fund manager, has spent £1.6m on two industrial buildings in the past two months.

MI paid £870,000 for ICFC's 60,000 square foot warehouse in Rabone Lane, Warley, Birmingham. ICFC, advised by Fletcher, King and Megran had let the building to R. S. Brown for £67,000 a year giving MI an initial return of 7.6 per cent.

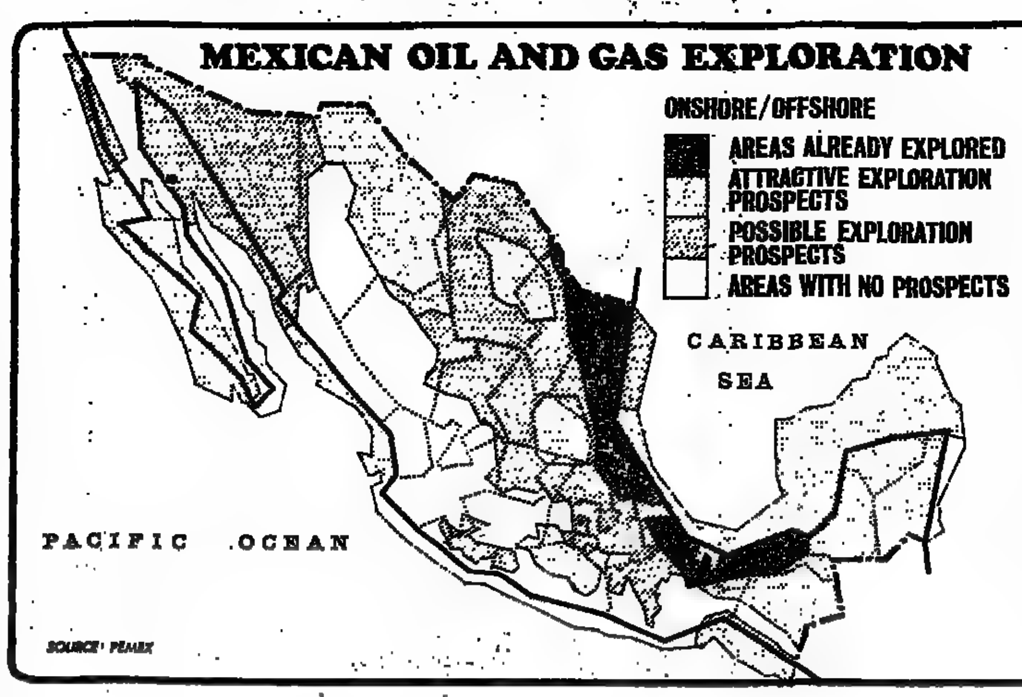
The fund achieved an 8.7 per cent return on its £709,000 purchase of the IDC's warehouse scheme at Worsley, Manchester even though the 55,000 square foot building is let for just £1.10 a square foot. MI is planning a further industrial development at Worsley in conjunction with IDC on an adjoining site.

J B

ENERGY REVIEW

BY WILLIAM CHISLETT: MEXICO CITY

Why so many countries are knocking on Mexico's door



THE U.S. National Security Council in a draft study describes Mexico as "the most promising new source" of oil in the 1980s. When President Carter makes his first trip to Mexico in February there will be some tough negotiations about increased oil sales and the first sales of natural gas to the U.S.

British interest has already been shown: following the visit of Dr. Dickson Mabon, the British Minister of State for Energy, to Mexico earlier this month, the two countries reached agreement in principle on an exchange of crude oil. The price and quantities involved in the deal are still to be worked out by the two State oil companies, Pemex and the British National Oil Corporation.

The troubles in Iran have demonstrated the importance of Mexico as an alternative source to Opec, of which Mexico is not a member. That was shown by the recent visit of the Canadian energy Minister, Mr. Alastair Gillespie, who was told by Pemex, the state owned oil monopoly, that he had caught the Mexican oil boat just in time. Had Canada waited another month then it might not have been given agreement in principle to buy 100,000 barrels of crude a day after 1980. Such is the increasing demand for Mexican oil.

The Canadians came to Mexico to substitute Mexican for Iranian crude of which Canada normally imports about 100,000 barrels a day. The French have also agreed in principle to import 100,000 b/d after 1980, likewise Spain and possibly Japan. With such contracts Mexico will have no trouble in pushing up its exports from the present 500,000 b/d to around 1m b/d after 1980 by when production will be up to at least 2m b/d from the current 1.5m b/d. By comparison Saudi Arabia's present daily production is thought to be more than 10m b/d although it is holding to a production ceiling for the year of 8.5m b/d.

Mexico now has the sixth largest proven oil reserves in the world. They were boosted by 100 per cent at the end of 1978 to 40bn barrels. (British proved reserves are 19bn and Saudi Arabia's 167bn.) Probable reserves in Mexico are 44bn barrels and potential, which includes the proven and probable figures, are 200bn barrels. This last figure is widely regarded as still being too conservative. On March 18, when Pemex celebrates the 41st anniversary of the nationalisation of oil, potential reserves will probably be increased to nearer 300bn.

It is not hard to understand the glowing optimism of the U.S. for only about 10 per cent of the 2.5m square kilometres of sedimentary land, which could have oil, has been explored.

The National Security Council study, designated as Presidential Review Memorandum (PRM) 41, said: "For the U.S., Mexico represents a major new energy source, presently outside OPEC. Mexico could fill 30 per cent of U.S. oil import needs by the mid-1980s, thus enhancing security of supply and more than compensating for the decline of Venezuelan and Canadian supplies."

The 30 per cent figure is considered to be very optimistic, but certainly if Mexico goes on producing oil at the present rate then the U.S. could get a lot more than the current 5-6 per cent of its oil needs from Mexico. Mexico at the moment exports to the U.S, about 425,000 b/d, or 85 per cent of total crude exports. The rest goes to Israel and Spain.

Attractive

Mexico's proximity to the U.S., which makes transport costs minimal and compensates for Mexico selling its oil at slightly higher than Opec prices, makes it an attractive source for the U.S. But if the U.S. is to be sure of supplies such as U.S. officials are now privately mentioning, it will have to reconsider its policy towards Mexico.

Mexico, which mistrusts the colossus to its north, has a card to play for the first time in its history and it is anxious not to play straight into the hands of the U.S. unless it gets some quid pro quo. It could ask for trade concessions and a different approach to the sensitive problem of the "wetbacks" who flee from unemployment in Mexico and cross the Rio Grande in tens of thousands every year to work illegally in the U.S.

Pemex is thinking of what should be its production ceiling after 1980. As usual when this corporation discusses anything, lips are sealed. The Government is now running up the flag of conservation as opposed to expansion, which was the dominant note of the first two years of office of President Jose Lopez Portillo.

Officially Pemex intends to produce 2.2m b/d by the end of 1980 and then increase this according to its financial and oil needs. Pemex could now increase production by 25,000 b/d every month, and after 1981 could increase it by as much as 40,000 b/d every month. The message from Pemex now is that production will not be increased so rapidly after 1981, for looming on the horizon there is the most important question facing Mexico: how will the petrodollars be spent, and how can Mexico avoid squandering its wealth?

On the other hand the possibility that Mexico could increase production to around 4m b/d by 1985 should by no means be ruled out. Increasing production at the rate of 40,000 b/d every month after 1981 gives a daily production figure of 4m b/d by 1985. If this level were to be reached, the U.S. could, according to some sources, import as much as 2.5m b/d from Mexico. That tallies with the National Security Council's estimate that the U.S. could obtain 30 per cent of its oil needs from Mexico.

Were output of 4m b/d to be reached it would make Mexico the most favoured developing country in the world. It already enjoys an extremely good rating on the international borrowing market, obtaining loans going at little above Libor (the London Interbank Rate). Undoubtedly the pressure on Mexico to join OPEC would increase and its policy of pricing higher than OPEC might have to be changed.

Nationalistic

Mexico would involve itself in a political squabble with Washington were it to join OPEC and would lose the tariff preferences given by the U.S. to non-OPEC members. Besides, the idea of joining OPEC goes against the grain of Mexico's highly nationalistic approach to its oil and its reluctance to align itself with any country.

The immediate course is for Mexico to continue on its present path and to avoid overstepping the mark by selling to the U.S. all that it wants at prices below those of OPEC. Doing so would probably encourage a similar attitude among other countries and threaten the viability of OPEC. If OPEC then collapsed and the price came down, Mexico could suffer as much as OPEC countries.

Such issues and others of a more technological and development nature will probably be discussed at an informal meeting in London in March of Saudi Arabia, Kuwait, Algeria, and Venezuela for OPEC, and Mexico, Norway, Canada, and Britain from non-OPEC countries. Mexico's voice at this meeting will be one of the most

If possible Pemex would like to diversify its oil market far more and sell 60 per cent of its exports to the U.S., 20 per cent to Europe, and 20 per cent to the Far East, but geographic and political circumstances make it unlikely that Mexico can substantially lower the present share of its oil exports going to the U.S. Indeed, it would increase if the idea which Senator Edward Kennedy put forward in January, that Mexico, Canada and the U.S. form their own cartel, ever came to fruition. The idea is viewed cynically in Mexico as an attempt to cash in on Mexico's oil. But it does pinpoint the attention which is now being paid to Mexico.

Gas sales could be the most touchy part of President Carter's negotiations, since the Mexican Government feels aggrieved by the way in which discussions to sell the gas broke down at the end of 1977. Then six U.S. gas distribution companies agreed to pay $2.60 per 1,000 cubic feet for 1.7m cubic feet of gas per day. The U.S. Energy Department vetoed the price because it would have been higher than what the administration would give the domestic industry. Since then prices have been liberalised in the U.S.

An angry Sr. Lopez Portillo at the time announced that Mexican gas would no longer be available for export and would be used domestically. When he made the announcement construction of the $1.5bn, 821-mile long pipeline from the south to the U.S. border was already underway. On March 18 next the pipeline should reach San Fernando. But will San Fernando be linked up to Reynosa on the border, as originally planned?

Pemex is flaring between 300m and 400m cubic feet of gas a day at the moment. This amount should decrease after March. But after 1980 the amount of flaring will increase again as oil production rises. Pemex believes that after 1982 domestic consumption of natural gas will be 4.5bn cubic feet a day, the same as production, and that therefore little will have to be flared. Other sources say more will be flared than now.

The U.S. now says that it is in no immediate hurry to buy Mexican gas and that Canadian producers are also eager to sell. According to some estimates the prices of Mexican gas will be $4.20 per 1,000 cubic feet by 1985—$1.50 to $2 less than Alaskan gas. The outcome of the gas talks will be an indicator of how great Mexico's new strength really is.

APPOINTMENTS

Chairman of Bowater UK joins parent Board

Dr. A. I. Lenton, chairman and chief executive of Bowater United Kingdom, has been appointed an additional director of the parent company BOWATER CORPORATION.

★

BANCO DI SICILIA has made the following appointments: Mr. Ottavio Salamone, joint central manager head of International Banking Group; Mr. Salvatore Casella, chief foreign manager replacing Mr. Alfredo Novarino, who has resigned; and Mr. Giacomo Perticone, chief manager, international finance and foreign exchange division.

★

Five regional managers of JOHN LAING CONSTRUCTION have been appointed regional directors. They are: Mr. J. D. Bottom (North East), Mr. R. C. Dunn (Irish), Mr. P. D. Holliday (general building), Mr. I. C. Walden (Scottish) and Mr. G. O. Whitehead (North West).

★

Mr. Richard Gapper is to be deputy managing director of PICKFORDS TRAVEL from February 1. At the same time Mr. D. Olliver will become a director, Mr. J. Lewis, financial director, and Mr. K. Webber, marketing manager.

★

Mr. Michael Smith has been appointed director—Middle East (designate) for CARRERAS ROTHMANS and will be based in Athens. Mr. Smith joins the company from Sterling Products International where he was regional marketing director in Iran.

★

Mr. Worth L. Thornton is to become senior vice-president—Europe of SEABOARD WORLD AIRLINES, based in London. He takes over from Mr. Norman P. Blake, who is retiring at the end of April, but until then will act in an advisory capacity.

★

Mr. J. T. Clarke, chairman of Express Dairy, has been elected president of the DAIRY TRADE FEDERATION to succeed Mr. Ben Davies, chairman of Unigate Dairies, who has completed his two-year term as president of DTF.

★

Mr. L. C. Redfern, Mr. A. D. Levy and Mr. M. A. Silverman have joined the Board of ARLEN ELECTRICAL (formerly Enalon Plastics) following the completion of the acquisition of Electronic and Fluorescent Accessories.

★

CC SOFT DRINKS, the new holding company for Cantrell and Cochrane (GB) and Coca-Cola Southern Bottlers, formed under the chairmanship of Mr. H. T. F. Carter, has made the following appointments to its Board. Mr. A. J. Lister, managing director of Cantrell and Cochrane and of Coca-Cola Southern Bottlers; the three shareholders represented by Mr. M. B. Bunting, chairman and managing director of Courage Brewing, Mr. W. J. Bridge, chairman of Greene King and Sons, and Mr. A. J. G. Sheppard, chief executive of Watney Mann and Truman Brewers; and Mr. C. Strowger and Mr. H. C. Moore also from Watney Mann and Truman Brewers. Mr. J. Ewan is company secretary.

★

Dr. Ziad H. Idilby, senior vice-president of the FIRST NATIONAL BANK OF CHICAGO, has been appointed area head for Europe, Middle East and Africa, a newly-created position. Previously Dr. Idilby was area head for the Middle East and Africa. He remains

Dr. Ziad Idilby

responsible for First Chicago's investment banking and also marine finance. Dr. Idilby continues to operate from London and replaces senior vice president Mr. Wallace R. Anker, area head for Europe, who will return to Chicago to the world banking department, in charge of operations and administration. Vice president Mr. Robert R. Yohanan, area head for U.K., Ireland and Scandinavia, also returns to Chicago to the world banking department to control credit and planning.

Mr. Karl A. Ziegler has become vice president of the First National Bank of Chicago responsible for a new government relations and special project group—world-wide based in London. He reports to executive vice president Mr. William J. McDonough, in charge of the World Banking Department in Chicago. Mr. Ziegler was associate director in charge of international loan syndications for First Chicago in London. He continues his association with that concern as a director in addition to his new responsibilities.

★

Mr. C. Varley has been appointed by WATNEY MANN NATIONAL SALES as sales director responsible for national accounts free on-trade, succeeding Mr. W. A. Read. Mr. Varley joins the company from IDV Wholesale.

★

From February 1, Mr. J. D. F. Drum will become director, planning and co-ordination of SIME DARBY LONDON and of the group's western division. He will be succeeded as secretary of Sime Darby Holdings by Mr. F. C. Whiting.

★

BISON CONCRETE has appointed Mr. R. E. Lomas, formerly deputy managing director of Bison Concrete (Southern), as managing director of that division, in succession to Mr. P. K. Jupp, who is leaving the company to go into business on his own account.

★

The BANK OF ENGLAND states that Mr. D. A. Dawkins will become chief of exchange control from May 2 on the retirement of Mr. E. B. Bennett. Mr. G. K. Willetts will succeed Mr. Dawkins as first deputy chief of exchange control and Mr. N. J. Robson will be a deputy chief of exchange control from the same date.

★

Mr. G. A. Hepburn has been appointed chairman of the FORTH PORTS AUTHORITY from April 1. He succeeds Mr. G. H. Elliot, who is retiring.

BANK RETURN

—	Wednesday January 24, 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	24,912,475	+ 314,805
Special Deposits	1,112,560,000	—
Bankers Deposits	429,718,142	+ 24,376,547
Reserves & other Accounts	699,897,185	+ 27,588,759
	2,281,640,802	+ 52,280,111
ASSETS		
Government Securities	1,843,946,088	+ 55,425,001
Advances & Other Accounts	201,942,038	— 5,078,194
Premises, Equipment & Other Secs.	208,941,315	— 394,527
Notes	26,625,851	+ 2,344,392
Coin	185,510	— 16,561
	2,281,640,802	+ 52,280,111
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	8,750,000,000	—
In Circulation	8,723,374,149	— 2,344,392
In Banking Department	26,625,851	+ 2,344,392
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,709,609,869	— 60,991,983
Other Seurities	1,029,375,031	+ 60,991,983
	8,750,000,000	

LOMBARD

When weakness is strength

BY STEWART FLEMING

CENTRAL BANKS were rallying in force to support the dollar last week following a speech on Tuesday by Mr. Karl Otto Poehl, vice president of the Bundesbank. Mr. Poehl chose to remind the foreign exchange markets of the considerable support which West Germany has provided for the U.S. currency through its intervention to buy dollars and of the cost of this support in terms of a surging domestic money supply.

His words set the teeth of currency and money market traders on edge for they are all too aware of the vital role of international co-operation in the dollar support package and fearful that conflicting national interests could weaken the policy.

Misinterpreted

Subsequently officials on both sides of the Atlantic muddied the waters by suggesting that initial reports of Mr. Poehl's remarks had misinterpreted the thrust of his argument or by hinting that he had not realised the likely impact of what he had to say.

For its part the Bundesbank appeared to decide that the best solution was to have it both ways, a choice which for the time being is not inconsistent. It said that it had not altered its intervention policy but, at its closely watched Press conference on the Wednesday, it disclosed cautious steps to firm monetary policy.

This decision has only added to the mystery, especially since it was promptly criticised by a senior official of the economics ministry, the foreign exchange markets have been left perplexed wondering whether they are witnessing a significant shift in German monetary policy which could have implications not only for the crucial dollar/mark exchange rate but also for the European Monetary System. They are also wondering how blunt a message the Bundesbank is trying to convey and to whom, Washington or Bonn or both.

If nothing else the episode has underlined just how fragile confidence in the dollar remains. There are several explanations for this. In spite of the trumpetings of Mr. Anthony Solomom, Under-Secretary in the U.S. Treasury, there is little evidence that the Carter Administration's voluntary wage and price programme is going to have any impact on U.S. inflation, and neither will there be until at the earliest April, when the policy faces its crucial test, the settlement of the teamster's contract in the trucking industry.

While there is evidence in the sluggishness of the money supply to suggest that the federal reserve board's moves to rein in credit may be biting, the astonishing fourth quarter real growth of 6.1 per cent and other economic data point in the opposite direction.

Something is amiss here and most observers suspect that it is the money supply statistics whose reliability has always been in doubt. Of course the trade balance is expected to improve as U.S. export growth continues, but that improvement is already being eroded by higher oil import prices and the Iranian situation

Of more immediate concern however is the fact that although the carter administration's dollar defence policy is widely recognised as a bringing operation designed to buy time during which confidence can be restored, so far three months into the programme, there is little evidence that this is happening.

Fragile dollar

Mr. Dennis Weatherstone, vice chairman of J. P. Morgan, for example referred last week at an international banking conference to the continued fragility of the dollar and cited the lack of signs that the leads and lags of trade payments which had moved against the dollar were unwinding.

Without such a movement the dollar faces an uphill fight. Moreover, there is some evidence to suggest that the diversification of dollar portfolios by central banks which have been holding the currency as a reserve asset, has been more substantial than had been supposed. The global figures mask these movements since sales are masked by purchases by central banks which are intervening to support the currency. It is feared that diversification is now a well established and logical policy

There are those who are now saying that the dollar's greatest strength is its weakness on the grounds that further measures of support will quickly be taken to offset new pressures

AROUND BRITAIN

Merseyside on the move

BY ANTHONY MORETON

MERSEYSIDE HAS undertaken what is little short of a revolution in its public transport system over the last 10 years. A network of independently-operated bus, train and ferry services has been fused into one integrated system which is the equal of anything in Britain.

Strictly, the change will not be completed until May, when the last of the new rolling stock on the underground railway system is introduced. But the first of the new trains have already been put into service—replacing some which have been operating since 1938—and all that remains is for some of the interchange stations to be brought into operation.

This huge reconstruction has taken place at a time when the whole fabric of local society, based heavily on Liverpool itself, has been undergoing a profound change. The number of jobs, for instance, has dropped during the past decade from about 150,000 to 90,000 and at the time time has come a large movement of people out of the centre of Liverpool to outer suburbs and the new towns.

The rationalisation of public transport originated in the late 1960s with the Merseyside Area Land Use Transportation Study. This started from the premise that the new system should be tailored to the existing one rather than, as Newcastle decided later, begun from scratch.

The planners were fortunate in that they could base their work on a history of railway innovation and allegiance to public transport. Car ownership on Merseyside, for instance, is among the lowest in urban areas in Britain, so people tend to use the bus or suburban rail services more than in many other cities.

But the buses were old. The railway network was also old and had been affected badly not only by the 1960 Beeching axe, but by needless competition with the bus services.

What Merseyside had in the 1960s was a series of lines coming into central Liverpool from the Wirral, in Cheshire, from Southport to the north, from Runcorn to the south and from Huyton in the east. There was, however, no route by which a traveller could cross the city without changing stations.

A link was planned therefore to join the northern and southern arms of the system. A loop was also planned to take the traffic coming from the Wirral in the west around the centre of Liverpool and connect with the north-south link. The introduction of interchange stations meant that passengers could travel through Merseyside without changing stations.

Both the link and the loop opened within a short time of each other in 1977 and have already had a considerable impact. The number of passengers carried shot up from just over 1.6m a month to a peak of 2.4m within six months and the figure for 1978 was consistently higher than in the previous year.

This success would have occurred to some extent anyway because the bus services have been "rationalised" on the principle that they should serve the railheads as far as possible. At the same time, car parks have been introduced to encourage commuters to leave their cars at suburban stations rather than bring them into the centre of Liverpool.

Integration of buses and railways at three main interchange points—Waterloo, Garston and Kirkby—has not been implemented completely successfully, owing to factors outside the control of Merseyside Passenger Transport Executive. Waterloo is operating as the executive wished, with the overlapping bus services into the city centre having been cut out. But this has not been possible at Garston and Kirkby because the Traffic Commissioners have still to pass judgment on the proposals.

Nor have the rationalisation plans been widely welcomed by the bus men. They not only objected to the changes but almost simultaneously had to contend with the introduction of one-man working, which caused much friction.

However, the executive is not neglecting buses in its future plans and the first thing it wants to do is bring down the average age of its vehicles from the present 18 years to about 13. There is a major renewal scheme for the garages (in many of which tram-lines can still be seen) and the first rebuilding will take place this year at Canning Road depot.

British Rail has its own schemes in hand for Merseyside apart from its involvement in the local network. It originates £45m a year in the division, one of the most important in Britain, of which a fraction over half comes from the passenger side. It estimates that revenue should rise this year by about 4½ per cent at constant prices over the 1978 figure.

About £7m of that total originates in Lime Street station itself and there are ambitious plans to give it a facelift. Some of this is essential work to handle the high-speed train services when they begin in about five years' time. There also will be alterations to the local-line platforms, an enlargement of the concourse, new booking hall and an increase in car parking space. Work on this redevelopment should start soon and take four years.

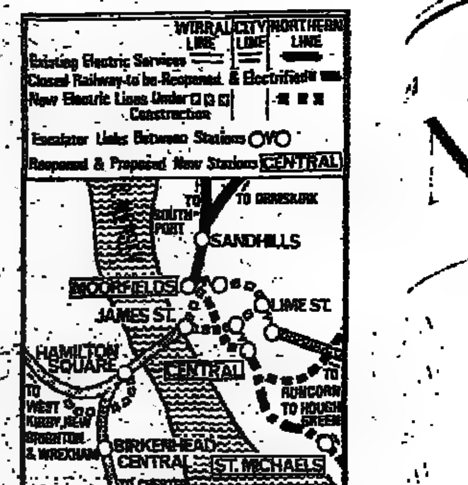
Journey times

Liverpool already has benefited from electrification of the line to London and passenger receipts have jumped as journey times have shortened. A trip of about 2 hrs 40 mins has allowed the management to tap a new market of travellers, such as evening trippers to London theatres. What is needed now is an updating of the rolling stock to the north-east and an improvement in times to places such as Hull, Newcastle and Edinburgh, journeys for which the car still holds a distinct advantage with the completion of the motorway programme.

On the freight side, the division handles about 500 company trains a week for concerns such as ICI, Shell, Esso, BL, Ford, British Oxygen and the National Coal Board. The existing freightliner terminal at Garston is now to be complemented by another at the Royal Seaforth Dock, eliminating the need for at least 60 lorries a day to make the 11-mile trip from the docks to the terminal across the city's roads.

Work has started on the new terminal and it should be completed, at a cost of just under £1m, by the autumn. The port authorities believe that the terminal could help bring more shippers to the docks.

These developments have helped to create a public transport system on Merseyside capable of taking the area into the next century. There are plans to undertake even further improvements but for the moment they are completely at the mercy of the financial constraints imposed on local capital spending.



Night Nurse likely to win

RACING

BY DOMINIC WIGAN

IF THERE is no heavy overnight frost, this afternoon's programme, at Ayr, where there will be a 7.30 am inspection should be given the go-ahead.

It will certainly be a bright spot in a gloomy week for racing if the course is passed fit for the card boasts the West of Scotland Pattern Novices' Chase, in which Night Nurse takes on five opponents.

Peter Easterby's remarkable eight-year-old, who bids on March 15 to add the Cheltenham Gold Cup to two Champion Hurdle crowns, could earn favouritism in the big chase with a fluent victory today.

After seeing him toy with Dramatist in Ascot's Killiney Novices' Chase, over today's 2½-mile trip, in which he was conceding the Arkle Trophy favourite 13 lb, I can envisage few problems for him here.

Ian Watkinson, Night Nurse's now established pilot, seems likely to adopt his usual tactics of taking the Falcon gelding to the front some way from home. After that, the race for first place should be as good as over.

I take Mr. Reg Spencer's tremendously game and versatile performer to dislodge Gay Spartan at the head of the Gold Cup market with another facile victory — possibly at the expense of Silver Buck, a recent Leicester winner.

Gordon Richards, responsible for the course specialist Justafancy in the Pattern Chase, could be the man to follow for the rest of the afternoon. The 90-horse-power Penrith trainer, named after this century's best-loved jockey, 26 times champion Sir Gordon, fields likely prospects in Sir Garnet, Burelor, Kirwaugh, Lord Greystoke and The Parch.

Lord Greystoke, an eight-year-old, with 11 st 10 lb in the Girvan Chase, is undoubtedly on the upgrade, and I shall be disappointed if he cannot give weight to some smart two-mile handicappers.

After running on well to concede Brawny Scot 19 lb in the Vulmidas Trophy over course and distance early in December, Lord Greystoke went on to take advantage of a 10 lb concession from the extremely useful Alverton in Wetherby's Castleford Chase on Boxing Day. He will not find the concession of 2 lb to Blabbermouth an easy task, but I think he will be just about up to it.

AYR

1.45—Nicky Tam
2.15—Sir Garnett*
2.45—Kirwaugh
3.15—Night Nurse***
3.45—Lord Greystroke**
4.15—The Parch

TV Radio

BBC 1

† Indicates programme in black and white

9.30 am For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 For Schools, Colleges. 3.20 Pigion Pentwyn: National Eisteddfod. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Hong Kong Phooey. 4.30 Jackanory. 4.45 Horses Galore. 5.10 Grange Hill. 5.35 Ludwig.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 Tom and Jerry.
7.10 Wonder Woman.
8.00 The Superstars.
9.00 News.
9.25 Petrocelli.
10.15 Up, Up and Away (London and South-East only).
10.45 Regional National News.
†10.50 The Late Film: "Village of the Damned," starring George Sanders.

All Regions as BBC-1 except at the following times:

Wales—1.45-2.00 pm Sioncyn Sponcyn. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.30-8.00 King of Instruments. 10.15 Kane on Friday. 10.50 Hanner Munud. †11.20-12.35 am The Late Film: "Village of the Damned."

Scotland—5.55-6.20 pm Reporting Scotland. 10.15-10.45 Spectrum: A World Premiere.

Northern Ireland—10.23-10.43 am For Schools (Ulster in Focus). 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15-10.45 Countrywide.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Encounter; Midlands (Birmingham) Midlands Tonight; North (Leeds) Springtime with Geoffrey Smith; North East (Newcastle) Friday North; North West (Manchester) Unlucky for Some; South (Southampton) All Together Now; South West (Plymouth) Peninsula; West (Bristol) Jazz in the Bath.

BBC 2

11.00 am Play School.
4.50 pm Snooker: The Benson and Hedges Masters.
5.33 News On 2 Headlines.
†5.40 Charlie Chaplin in "Police."
6.10 Horizon.
7.00 Rebecca.
7.55 Mid-Evening News.
8.05 Delia Smith's Cookery Course.
8.30 Country Game.
9.00 Pot Black 79.
9.25 Pro-Celebrity Golf.
10.15 Westminster.
10.45 News.
11.00 "Marriage Italian Style," starring Sophia Loren and Marcello Mastroianni.

LONDON

9.30 am Schools Programmes. 12.00 A Handful of Songs. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Sounds of Britain. 2.00 After Noon Plus. 3.20 Heart to Heart. 3.50 The Sullivans. 4.15 The Ghost of Motley Hall. 4.45 Magpie. 5.15 Thames Sport. 5.45 News. 6.00 Thames at 6. 6.30 Emmerdale Farm. 7.00 The Muppet Show. 7.30 Sale of the Century. 8.00 General Hospital. 9.00 Vegas. 10.00 News. 10.30 Police 5. 10.40 Soap. 11.10 The London Programme: Lambeth Council. 12.10 am George Hamilton IV. 12.40 Close: Oliver Maguire reads from the Bible with a painting by Michelangelo.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.25 Friday Matinee: "River of Gold." 5.15 Sam. 6.00 About Anglia. 10.30 Probe. 11.00 Friday Late Film: "The Deadly Tide." 12.45 am Men who Matter.

ATV

1.20 pm ATV Newsdesk. 3.50 The Practice. 5.15 Happy Days. 6.00 ATV Today. 10.30 Mary Hartman, Mary Hartman. 11.00 Love at the Movies: "Casanova 70."

BORDER

†1.20 pm Border News. 2.25 Matinee: "In Name Only." 5.15 Gurnock Way. 6.00 Lookaround Friday. 6.30 Welcome to Caledon. 10.30 Border Month. 11.00 Late Film: "Dracula." 12.30 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 The Friday Matinee: "The Man Who Could Talk to Kids." 5.15 Emmerdale Farm. 6.00 Report at Six. 6.30 The Stationary Ark. 10.28 Channel Late News. 10.32 Action Adventure: "The Hill." 12.35 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.15 Emmerdale Farm. 6.00 Grampian Today. 6.35 Sportscall. 7.30 Andy's Party. 10.30 Reflections. 10.35 The Entertainers. 11.05 The Friday Film: "Fright." 12.35 Grampian Late Night Headlines, followed by Road and Ski Report.

GRANADA

1.20 pm This Is Your Right. 2.25 Friday Matinee: "The Girls of Huntington House." 5.15 Mr. and Mrs. 6.00 Granada Reports. 6.30 Kick Off. †10.30 The Friday Film: "Odds Against Tomorrow." 12.15 am Hayes Over Japan.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.25 The Family. 5.15 Laverne and Shirley. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 10.35 Report Extra. 1.05 The Late Film: "Lucas Tanner."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.15-4.45 Plant y Byd. 6.00-6.15 Y Dydd. 10.35 Snooker Special. 11.05 Outlook. 11.35-12.30 am Rush.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road Report. 5.15 Emmerdale Farm. 6.00 Scotland Today. 6.30 The Mary Tyler Moore Show. 7.30 Oliver. 10.30 Ways and Means. 11.00 Late Call. 11.05 Appointment with Fear: "The Hanged Man."

SOUTHERN

1.20 pm Southern News. 2.00 Farmhouse Kitchen. 2.25 Friday Matinee: Quincy. 5.15 Happy Days. 6.00 Day by Day. 6.05 Scene South East (South East area only). 6.30 Out of Town. 10.30 Weekend. 10.35 A Southern Report. 11.05 Southern News Extra. 11.15 Soap. †11.45 The Late Late Show: "La Strada."

TYNE TEES

9.25 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 Friday Film Matinee: "Woman Wins Anything." 5.15 Mr. and Mrs. 6.00 Northern Life. 6.35 Sportstime. 10.30 The Friday Night Film: "Wait Until Dark." 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.25 Six Million Dollar Man. 4.18 Ulster News Headlines. 5.15 Mr. and Mrs. 6.00 Good Evening Ulster. 6.30 Sportscast. 10.30 Quincy. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: "The Man Who Could Talk to Kids." 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 10.28 Westward Late News. †10.30 Action Adventure: "The Hill." 12.25 am Faith for Life. 12.40 West Country Weather, Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.25 Friday Film Matinee: McCloud. 5.15 Bailey's Bird. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 10.30 The Ken Dodd Show. 11.00 Appointment with Fear: "The Night Visitor."

Radio Wavelengths

1	1053kHz/285m, 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
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RADIO 1

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RADIO 2

RADIO 3

RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,881

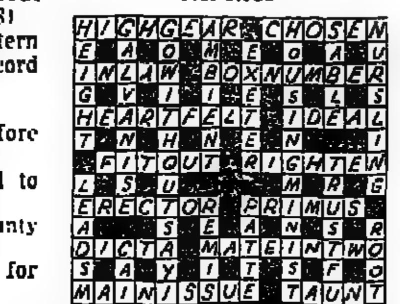
ACROSS

1 Hide quarrel in trench (6)
4 Control commission might leave us in the dark (5, 3)
10 Prospect of obtaining watch (4, 3)
11 Go slow expert could make Edward outside left (7)
12 Point to snake stinging winger (4)
13 Chance soldiers have to get out of line (5, 5)
15 Introduction to noise from meadow land (4, 2)
16 Welcome current demand (7)
20 Jersey worker who could take a purler (7)
21 Beast returns thin plate (6)
24 Dealing with correspondence on duty (2, 4, 4)
26 Drop in rent (4)
28 Two-way ticket to remote country area (7)
29 Crawler may stop on pitch (7)
30 Suggestive of split about relief for unemployed (8)
31 Father goes to eastern cathedral of his own accord (6)

DOWN

1 Completely crowded before spring (4, 4)
2 Piece on board for bird to generate (5, 4)
3 Beast attached to county (4)
5 Decree one missed out for munitions (8)
6 Humorous poet from Kings (6, 4)
7 Two periods one has to stomach (5)
8 Saint survives another Easter (6)
9 Account for southern politician (5)
14 First two points shared in court by rugby team entirely (7, 3)
17 One can point to speed of travel (9)
18 Ordered to be made orally (8)
19 Prevent deserter on railway indulging in vexatious litigation (8)
22 Kindness displayed by political partisan (6)
23 Fool certainly to check quality of metal (5)
25 Chose to work with West-end newsman (5)
27 Incentive for London footballer (4)

SOLUTION TO PUZZLE No. 3,880



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CINEMAS

ODEON HAYMARKET (930 2738-2771). MAGIC (X). Sep. perfs. Wks. 2.15, 5.15, 8.15. Sun. 4.15, 7.15. Late night show Fri. and Sat. 11.30 pm. All seats bkble. at Box Office or by post.

ODEON LEICESTER SQUARE (930 6111). ASHANTI (AA). Sep. progs. dly. Doors open 1.45, 4.45, 7.45. Late show Fri. and Sat. doors open 11.15 pm. All seats bkble. at Box Office or by post.

ODEON MARBLE ARCH, W.2. 01-723 2011-2. FORCE 10 FROM NAVARONE (A). Sep. progs. dly. Doors open 1.00, 4.30, 7.45. Late show Fri. and Sat. doors open 11.15 pm.

PRINCE CHARLES, Leic. Sq. 01-437 8181. Walerian Borowczyk's THE BEAST. London X. Sep. perfs. dly (inc. Sun.) 5.55, 8.35. Late show Fri. and Sat. 11.

STUDIO 1, 2, 3, Oxford Circus. 437 3300. 1: An all-star cast in Robert Altman's A WEDDING (A). Progs. 2.20, 5.10, 7. Late show Sat. 10.45 pm. 2: Agatha Christie's DEATH ON THE NILE (A). Sep. perfs. dly 2.00, 5.00, 8.00. Late show Sat. 11.40. Seats bkble. 3: Jill Clayburgh, Alan Bates in Paul Mazursky's AN UNMARRIED WOMAN (X). Progs. 1.05, 3.30, 6.05, 8.45. Late show Sat. 10.50 pm.

Cinema

No bargains in the basement

by NIGEL ANDREWS

Magic (X) Odeon Haymarket
Halloween (X) Odeon Kensington
Foul Play (A) Plazza, Classic Oxford Street, ABCs Fulham Road and Bayswater
Ashanti (AA) *Odeon Leicester Square*

This is a week in which the new movies compete urgently for bottom place in the film column. Huddled together in their *purdah* zone of mediocrity, you could *hardly insert* the thinnest of blades in the qualitative gaps between *Magic, Halloween, Foul Play* and *Ashanti*.

I would give equal pride-of-place, by a hairsbreadth, to *Magic* and *Halloween*, two sub-standard horror movies given a faint whiff of distinction by—respectively — Anthony Hopkins's firecracker performance and John Carpenter's sleek, strong direction. And I would give shame-of-place to *Ashanti*, in which Michael Caine, fresh from the lunacies of *The Swarm*, wades gamely into another Hollywood *folie de grandeur*, this time with slave-traders replacing bees as the agents of Evil.

Magic lifts its main idea bodily from that revered British suspension classic of 1945, *Dead of Night:* in which, if you recall, ventriloquist Michael Redgrave had some probelms with his dummy, who seemed to be takin, on a life of his own. Anthony Hopkins, here sporting an American accent and a romantically tousled hair-piece, plays a young New York magician *whose conjuring act, hitherto* failing to set the Hudson on fire, is transformed one day by his decision to incorporate ventriloquism into it. His pert, forthright, blue - humoured dummy "Fats" soon has the audience roling in the aisles and his manager (Burgess Meredith) seeking world - conquering contracts.

But success daunts Mr. Hopkins. He flees, with Fats, to a tumbledown lakeside resort in the countryside of his childhood and rents a chalet from the woman (Ann-Margret) who used to be his schoolboy sweetheart. True Love pops up and threatens to oust Worldly Success. *But there is a problem:* Mr. Hopkins is already going slightly dotty. He is suffering from Ventriloquist's Schizophrenia, manifested in a habit of talking things over with his dummy. When Fats get jealous of Ann-Margret, Mr. Hopkins reasons with him. When Burgess Meredith appears on the scene and expresses his determination *to take Mr. Hopkins to a psycho*analyst, Mr. H. and Fats decide together to bash him to death. . . .

And thus, if you have got the idea, the film goes on. The good news about *Magic* is that *Anthony Hopkins plays the* main role to the hilt. That odd, clotted speech-style of his, in which the vowels fight a losing battle with the consonants, provides the right, tumble-brained vocal effect, and his facial expressions vary hypnotically between the sullen and the manic.

The bad news is that screenwriter William Goldman and director Richard Attenborough, who were teamed together with Joseph Levine for the ill-fated *A Bridge Too Far*, do their collaborative best to scuttle the film after its promising start. Goldman's script, based on his own novel, runs out of dramatic momentum a good half-hour be*fore the film's ending* — or at least so little varies the mayhem that the result is the same — while Attenborough's direction hardly gets going at all. His camera placements and movements are so lethargic — *head-and-shoulders naturalism* when the film cries out for a touch of high-strung artifice — that one might be watching some programme-filling soap opera early evening on television rather than an expensive, prestige Hollywood production.

★

Not that one needs expense to chill audiences' spines, as John Carpenter fitfully demonstrates in *Halloween*. Carpenter has already proved, as a director, that he can make silk purses from sow's-ear budgets. This time he has also saddled himself with a sow's-ear script: written *by himself. But Carpenter* is a dashing, even dazzling stylist, and his visual flair does much to redeem this Z-movie tale of a homicidal maniac who escapes from a mental home on Halloween day to wreak horror in the little town where, 15 years before at the untender age of five, he had stabbed to death a young girl.

Donald Pleasence is the pursuing, gun-carrying psychoanalyst: who after 15 years of treating his patient patiently has now decided that he is a suitable case for extinction. And Jamie Lee Curtis plays the young girl chosen by the psychopath as his new target.

The film *plays some* beguiling cat-and-mouse games with the audience's nerves: dressing its evil protagonist in an eerie Halloween mask and whisking him in and out of view in quiet, sunlit, tree-lined streets. (The *camera glides suavely, mean*while, through more feet of travelling shots than in any other American film I have seen). But when night comes, a more conventional scariness descends. The familiar carving knife is taken from the kitchen dresser, the gloved fist crashes through the vainly locked door, the long shadow and the stomp-stomp ascend the stairs. Carpenter has a more original mind than these greybeard clicheés intimate, and he ought to start exercising it again in his next film.

Dudley Moore is the third British actor this week—the others were Mr. Hopkins and Mr. Pleasance—to be called upon to affect an American accent. This is a trend that ought to stop. In *Foul Play* Mr. Moore *sustains* the role of one Stanley Tibbetts, a San Francisco sex connoisseur who attempts to seduce our heroine (Goldie Hawn) after inviting her back to his erotica-filled flat: complete with musical bed, *wardrobes full of inflatable* female dummies and projector showing porno movies.

Goldie Hawn in "Foul Play"

Dudley Moore's two-in-one struggle with a West Coast accent and an appalling script is the low point of this *soi-disant* comedy thriller, written and directed by Colin (*Silver Streak*) Higgins. The rest does not get much higher. Miss Hawn's once fizzy, twinkle-eyed charisma has evaporated startingly since she left her link-girl act in TV's Laugh-In. She looks quite lost in this film, stumbling through a labyrinthine, would-be Hitchcockian murder intrigue (building towards an attempt to assassinate the Pope at a San Francisco opera per*formance)* and bandying blunt repartee with her detective-cum-lover leading man (Chevy Chase). *The* comedy thriller is a delicate, elusive form—witness *Charade* and the best of Hitchcock—in which excellence is seldom attained by this kind of aimless plethora of camp jokes, windmill energy and instance *hommages* to the genre's former practitioners.

★

Ashanti is a comedy thriller *malgré lui*. "I'll be back in ten minutes" says the black American wife of Michael Caine, *a doctor working in a West* African village, as she flits down to the river to bathe. But no sooner has she emerged refreshed, from the wondrously bilhazia-free waters, than unknown hands set upon her and *she is shoved into* the back of a slave-collecting lorry under the beady eye of Peter Ustinov.

Twirling an un-Poirot-like beard and Eastern accent, Mr. Ustinov is the evil slaver Suleiman, about to trek across *Africa with his slave caravan* and sell Mrs. Caine (Beverly Johnson) to the highest Arabian bidder. Mr. Caine, getting quickly on the scent, pursues Mr. Ustinov across the dark continent, enlisting en route the *support of (i) debonair anti-*slaver Rex Harrison, (ii) free-lance helicopter pilot William Holden and (iii) a Sahara-dwelling African called Malik (Kabir Bedi), who teaches Mr. Caine how to ride a camel and leads him to Mr. Ustinov's lair.

This grandiose nonsense is directed by Richard (*Mandingo*) Fleischer, who could by now paper his walls with the titles of Great Classics of Hollywood Tosh he has perpetrated. A thin attempt at a cautionary message waves across the screen in the opening titles—Slavery-Still-Exists-Today-etc.—but it is soon trampled underfoot by the advancing horde of all-colour, wide-screen Hollywood clichés.

King's Theatre, Glasgow

Aladdin

by MICHAEL COVENEY

Spending an extra day in Glasgow, thanks to British Rail and the weather, I made virtue of necessity by seeing, on Tuesday night, the splendid pantomime at the King's and, earlier in the day, an invigorating schools' performance by Theatre About Glasgow (TAG) at Woodside Secondary, in the Charing Cross district.

Aladdin is presented at the King's by Glasgow District Council, and Tim Goodchild's *designs are beginning to look in* need of renovation. However, this is traditional large-scale panto at its best, far superior to Danny La Rue's at the Palladium. Jimmy Logan stars as Wishee Washee and not only *has a series of fine routines and* a magical rapport with the children, but also acts extremely well. As So Shy finds her voice to say she will marry him, the whole house shares in Wishee's prayerful suspense and *delighted relief.*

It is unusual for the star not to play the Dame in *Aladdin;* Mr. Logan shares the honours with Peter Kelly as Widow Twankey. Mr. Kelly is a very fine Dame indeed, as patrons of the Citi*zens' pantomimes in recent* years well know. His Twankey is raucous and lovable, outrageously Glaswegian and, again, well acted. The third star is Patricia Michael, who gives a traditional, classic principal boy performance, flashing teeth and thighs with generous regularity and bringing the curtain down on Act One with a perfect "turn round" in the cave.

There is nothing much wrong with the competent choreography, and the show, unlike the Palladium, knows where to spend money to the best effect. En route to the cave, we have a tremendous magic carpet act by Emerson and Jayne, complete with luminous serpents and coloured lights. At one point, the carpet sails out over the orchestra pit! There is a Chinese dragon, a lot of leg-pulling with the audience about different areas of the city and a warming finale at the *Festival of a* Thousand Lanterns.

I thought Danny La Rue might have put me off pantomime for good, but it is reassuring to come across a show that restores faith in the genre. The near-execution of Aladdin is frighteningly well done, and, in Africa, Abanazer seals his fate by picking up the wrong lamp, a scene I do not remember seeing before.

★

Although loosely based at the Citizens, TAG is a separately run enterprise, now under the experienced direction of Ian Wooldridge, to service schools in the Strathclyde area. As so *many of the Citizens'* audiences are teenagers, its impression on the community is important. The new company has just produced a 45 minute programme of nine plays written by schoolchildren (68 were submitted) and, *as the topics* include parents stuck in front of the television, unemployment, a community's preference for a welfare centre to that of the council for a flower bed, and punk animosity when a returning native *denies his* background, the Woodside pupils, many of them Asian sat quietly riveted throughout.

I especially liked the sketch about a young girl who meets her pop idol on a train home after the concert, absconds with him to Crete and is unceremoniously ditched after a few days of the good life. In Rod Stewart's city, hard fact and pure fantasy may co-exist, but not copulate.

Festival Hall/Radio 3

Mozart and Bruckner

Alfred Brendel's accomplished, highly developed Mozartean style was on display on Wednesday at the Festival Hall. Accompanied by the BBC Symphony Orchestra and Hans Vonk, he delivered a casually authoritative performance of Mozart's 25th Piano Concerto, in C major, K.503.

Brendel's considerable experience in this repertoire *enables him to inflect and* articulate the piano writing in a manner that less knowledgeable, less stylistically sure-footed pianists wouldn't begin to attempt. He opened with a clipped, almost cavalier treatment of the *first solo, moving* steadily into the centre of the movement and emphasising the major structural points of the concerto with unobtrusive concentration. His embellishments in the Andante and the cadenzas *he supplied displayed a sense of* humour as well as scholarship, and the last movement offered some original phrasings of the bass line.

The diligent Vonk obviously knows the piece almost as well and accompanied carefully. He paid commendable attention to the alternation of rhythmically rigid and fluid phrases in the first movement, and voiced the woodwind chords beautifully. In the last resort, this wasn't a major reconsideration of a great concerto, but a solid and imaginative reading. And none the *worse* for that.

While Vonk was certain in his support of Brendel, his touch was less confident in Bruckner's Sixth Symphony after the interval. The first movement revealed a lack of *carefully defined and related* tempi and, more importantly, a lack of clearly terraced dynamic levels that was to plague the rest of the performance. Too often Bruckner's extreme dynamic shifts were under*emphasised, as Vonk seemed* content to let the sharp changes of instrumental weight and texture take care of themselves. This meant that little volume or fullness of tone was left in reserve to place the final climaxes of each movement securely in place.

The internal balance of the *orchestral sections* also left something to be desired; Bruckner's music speaks best in a more resonant and generous acoustic than the Festival Hall can provide. But careful shading and reseating of the brass *section can compensate for* many of the problems that the comparative lack of reverberation causes. It shouldn't be inevitable that all but the highest and lowest string tones should disappear whenever the *trombones enter.*

As usual in such long and demanding works, most movements had spots of rough ensemble or suspect intonation. Unfortunately, Vonk seemed unable to supply a compensating imaginative response or, at least, a secure grasp of the Symphony's larger structure.

RICHARD JOSEPH

Wigmore Hall

Hammond-Stroud

by NICHOLAS KENYON

At the end of last year I was remarking that Schubert's *Winterreise* was the ideal leider programme *for* our present climatic conditions. The same is still, alas, true, and the song-cycle was duly given a chilly background of reality when Derek Hammond-Stroud performed it in a Schubert Society recital on *Wednesday*.

It was a most unusual account of the songs. I could scarcely believe the opening "Gute Nacht": a floating, withdrawn line, no more than a conversational *parlando* in the voice. But as the cycle developed, it was clear that Hammond-Stroud was pacing himself and the music as perhaps only a veteran of innumerable *Ring* cycles can. The early songs all hinted at the title of the fourth, *Erstarrung*, numbness, but in his encounter with the lime tree which *offers him peace*, Hammond-Stroud achingly, with deliberate difficulty, broadened the tone to something approaching lyricism.

Throughout he fought shy of vocal beauty for its own sake, and the result was to emphasise the sparseness and bleakness of Schubert's writing—not only in the final "Der Leiermann," in which Hammond - Stroud returned to his earlier introverted *sotto voce*, but also in the often over-sweetened "Einsamkeit" and the desolate arpeggios of "Rast." His shaping of the vocal line was achieved so unobtrusively that at times it seemed negligible; but such a dry and uneasy approach to Schubert's melodies could easily have sounded lumpy or rough-edged—and it never did. Anxious not to overburden the vocal line with expressiveness, he pared it to the bone, and incidentally revealed one of the ingredients of its magic: its superbly natural response to the *inflections of Müller's poems.*

If deathly restraint was the aim of the performance, this did not communicate itself to Geoffrey Parsons. He produced his own silky sheen of sound from the piano, singing sweetly in "Der Krähe," while Hammond-Stroud imitated the bird, and characterising the changing moods of "Frühlingstraum" with a large-scale drama which sounded beautiful but jarred with the mood of the performance. *And Mr. Parsons really* ought to make up his mind about the semiquavers in "Wasserfluth": do they move with the triplets or not? Though he followed his singer precisely, one had the impression that Mr. Parsons was not actually listening — perhaps he was on automatic pilot.

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Friday January 26 1979

A change for the worse

THE REORGANISATION of local government which took place barely five years ago was an administrative nightmare that will long haunt the popular memory. It was costly, partly because it was planned in the expansionary euphoria of the early 1970's and brought into being amid the raging inflation of 1974-75 and partly because it is in the nature of such changes that no one loses pay, re-appointments are made at higher rates, and many more extra jobs are created. It has been criticised for having created a confusing overlap of responsibilities in some functions and for placing decision-making at the remote level for other functions.

Popular

But there can be no entirely satisfactory distribution of powers in local government as the most judicious balance between democracy and efficiency varies for each local service. Nor is there yet any substantial objective evidence as to the performance of the new system after it has had a chance to settle down.

One might therefore have expected Mr. Peter Shore, the Environment Secretary, to have set out in some detail the case for contemplating a further, albeit rather more limited, redistribution of functions in the English non-metropolitan counties so soon after the last reorganisation. This, however, he has chosen not to do. Apart from briefly citing some of the more popular causes of dissatisfaction with the present set-up, the White Paper he issued yesterday merely explains that the Bill lhe has prepared will enable certain district councils to make a case for regaining education, social services, and traffic management powers with the final decision reserved to himself as Secretary of State after receiving the advice, in the case of education and the personal social services, of an independent board.

One may sympathise with hisetoric cities like Bristol, Derby and Nottingham, former all-purpose county boroughs with substantial populations, which suddenly lost status and powers in 1974. But Mr. Shore sees his "organic change" as ranging much further and the pressure for it has come largely—though not entirely—from within his own party which resented the transfer of functions away from many of its traditional strongholds.

The case for change is strongest in the case of development control and perhaps also in social services, a personal service which requires close contact with the housing service which remained a district responsibility. But, whereas Mr. Shore intends to make development control a district function throughout all non-metropolitan areas, the transfer of education functions is to be limited to at most the nine largest shire districts and the transfer of responsibilities for personal social services and traffic management will be restricted to the largest 100 predominantly urban districts.

Efficiency

The effect on the counties—and the number will be considerable—which face losing responsibility for these functions in parts but not all of their areas can be imagined. It is no secret that both the Department of Education and the Department of Health and Social Services have been strongly opposed to Mr. Shore's proposals. Efficiency and resource planning will be undermined, friction will be created, the problem of voting procedure and political control within county council committees will be much greater than Mr. Shore pretends, and there are several nasty financing difficulties to be sorted out.

Mr. Shore intends to set a two-year time limit to the making and hearing of applications, but demographic changes will give rise to new claims in the future and there will be further uncertainty so long as the Labour party talks of regional devolution in England. All in all, making changes on such a scale will add to inefficiency and

Intervention—Swedish style

NEXT WEEK the shareholders in Volvo, Sweden's largest industrial enterprise, will give their verdict on the management's proposal to raise new capital by issuing shares, representing 40 per cent of the company to Norway; this is part of a wide-ranging programme of industrial co-operation between the two countries, in which both governments are involved. Some Swedish investing institutions are unhappy about the deal, believing that Volvo's need for new capital could be dealt with in more conventional ways and that the intrusion of governments into the company's affairs is dangerous. Most of the opposition parties in Norway are expected to vote against ratification of the agreement by the Norwegian Government; their objections are that the industrial benefits to Norway are too small, especially when set against the preferential access to Norwegian oil which Sweden will receive.

Admired

The importance of this affair goes beyond the particular problems of Volvo. During the 1960s and early 1970s the performance of the Swedish economy was widely admired as a model for other countries to follow. Sweden seemed to have found the magic formula for combining a productive and profitable private sector with generous social welfare provisions and an exceptionally high standard of living. But the post-1973 recession exposed weaknesses in Swedish industry with which the formula proved unable to cope.

According to some observers, Sweden is paying the penalty for excessive wage increases, excessive taxation and other social policies which have undermined both profits and productivity. In a number of industries—steel, shipbuilding, forest products—the present Government, against its political instincts, has been obliged to step in with large subsidies and even partial nationalisation. There is a major question-mark over whether the market economy in anything like its old form can be revived.

It can be argued that Volvo is suffering not so much from the Swedish sickness as from intense competition in the world motor industry and from the consequences of its own management decisions. Although its truck business is strong, it is a relatively small producer of cars with a narrow product range. The attempt to broaden the line by buying into Daf, the Dutch small car manufacturer, proved difficult to implement and the Dutch investment has been disappointing in financial terms. Clearly Volvo needs new capital to support the development of new models, but it remains uncertain whether the company can raise the profitability of its car operations to a satisfactory level.

From the point of view of the Volvo management the Norwegian deal may be seen as an ingenious alternative to the proposed merger with the other Swedish car company, Saab-Scania, with which abortive negotiations took place in 1977, or to a straight loan from the Swedish Government. From the Norwegian Government's angle, there is an apparent logic in using the expertise of one of Scandinavia's most respected industrial companies to build up Norway's industrial base; the arrangements for the supply of Norwegian oil to Sweden and of Swedish timber to Norway's pulp and paper mills should, in theory, strengthen both economies. But there are dangers for Volvo in being used as the instrument to achieve these political and economic objectives.

Separation

One of the strengths of the Swedish system before 1973 was the clear separation between the private sector and the Government. Although the Social Democrats then in power pursued a number of policies to which the business community was opposed, the managers of private-sector companies were, in general, free to run industry along capitalist lines. Now the intervention of the Government in industry's affairs has become more direct and more pervasive; this is bound to have an effect on perfromance. The Volvo scheme will only go through if its shareholders can be convinced that the company's vitality as a commercial enterprise will not be jeopardised.

BRITISH POLITICS TODAY

BY MALCOLM RUTHERFORD

An unconscionable time dying

THE BELIEF was spreading in Whitehall and Westminster this week that a British general election can be no longer much delayed, even to the point of pencilling in April 5 as the most likely date. Do not bank on it: or at least do not be so rash as to regard it as a foregone conclusion. There might be an electin then. There might be an election then. There might even—just—be one somewhat earlier. But the odds, however so slightly, must still be on Mr. Callaghan's survival.

There are two cardinal assumptions here which need to be explained before going into more detail. The first is that the Prime Minister is in no position to go to the country voluntarily. The best that he can hope for in the next few weeks is to restore some sort of order to the Labour Movement so that he can put up a decent fight if he is forced to do so. He will therefore try to hang on.

The second assumption, which follows from the first, is that if there is to be an early election, the Government will have to be brought down in the House of Commons. The arithmetic here is becoming chancy, and the Government could fall by accident at almost any time. Yet if accidents are avoided, and certain deals are done, survival is still on the cards.

The conventional starting point in such calculations is the referendums on the proposed Scottish and Welsh Assemblies on March 1, particularly the Scottish. It is generally assumed that now that the referendums are so close the Nationalist Parties will do everything possible to keep the Government in office until the results are known. They would not wish, for example, to see a Government defeat on the new Prices Bill in the House next week.

Experience suggests that the behaviour of the 11 Scottish Nationalist MPs, as distinct from that of the three Plaid Cymru Members, is somewhat erratic. They are generally less pro-Labour than the Welshmen, they do not always follow the advice from Party headquarters, and they do not always vote together. Nevertheless, in a reasonable world, it seems unlikely that they would want to see the Government fall before March 1. Certainly the word from the party in Scotland is to allow the referendum to take place as planned.

Predictions of a general election on April 5, or even March 29, are based partly on the assumption that once the referendums are out of the way, the Nationalists will no longer have any interest in supporting the Government. Indeed, given the assumed growing unpopularity of the Government over the past few weeks, they will wish to dissociate themselves completely from any Government connection. Mr. Callaghan then will have lost a crucial ally.

That could be true, but again it should not be taken as a foregone conclusion. There are several circumstances in which the Government could seek to rely on continued Nationalist support. One would be by promising to hold the elections to the Assemblies earlier than the Tories would ever consider, assuming of course that the referendums resulted in a "yes" vote.

The Labour Party in Scotland has apparently advised Transport House that the earliest possible date by which it could be ready to fight Assembly elections would be October, the reason being that it has not yet even begun to consider a candidates' list. In so far as one can tell, this advice has been accepted. Yet even October could be soon enough. The Government could just seek to secure continued Scottish Nationalist support by saying that under a Tory Government there would be no guarantee that Assembly elections would come any earlier. They might even come considerably later.

All that is on the assumption of a "yes" vote, especially in Scotland. There is, however, another possibility which could again give the Government a certain leeway. The Scottish Nationalists are by no means confident at present of achieving approval of the Assembly under the condition imposed by the Westminster legislation. This is that there must be 40 per cent of the Scottish electorate in favour, so that a majority of those who turn out to vote is not necessarily sufficient.

The Government has already indicated that if the majority turns out to be only slightly below the required 40 per cent of the electorate, it will be prepared to reconsider and could recommend the establishment of the Assembly in any case. There could well be a nice question of how far below 40 per cent of the electorate the "yes" vote has to fall before being regarded as a rejection. But these are matters that can only be judged after March 1. Anything that comes before is only speculation. For that reason alone it seems unwise to assume that the Government will be brought down with the aid of the Scottish Nationalists in time for a general election to take place on March 29, or even perhaps on April 5.

There is another point which at present may be worth no more than a hypothetical footnote, but which could turn to be important. In the unlikely event of the Scottish referendum resulting in a "no," the current view in Edinburgh is that the Nationalists would be more rather than less inclined to keep the Government in office. They would demand to know what the Government planned to do next and they would not wish to face a general election at a time when their own fortunes were so obviously low.

So much for the Nationalists. They might be an unreliable ally for the Government, but even that can be beter than nothing. Yet it is when one turns to the Ulster Unionists that Mr. Callaghan appears to have further ground for hope.

Trevor Humphries

Waiting for a train—waiting for something to happen. Morden underground terminus in south London yesterday when thousands stranded by the strike on British Rail crowded into the city's underground system.

Again the conventional wisdom has it that the Ulstermen's support for the Government will run out very shortly. The official position of the Unionists (or of most of them) was laid down in the debate on the Queen's Speech. It is that they will extend their support so long as the Government has something of specific interest to them to deliver. This applied in particular to the promise of increased Ulster representation in Westminster. Legislation to that end is now almost complete, and that is another reason for the general assumption that an early election has become almost unavoidable.

Yet the Ulstermen are not above asking for more; nor, it appears, is the Government entirely reluctant to enter the bidding. The Unionists by their nature are basically Tories who just happen to come from the other side of the water, but they have also been learning about politics.

Two factors stand out. The first is that perhaps under the influence of Mr. Enoch Powell, the Member for Down South, they have become spectical about Tory economic policy. They may agree with him that Labour policy is absurd, but they also agree with him that what the Tories have to promise is not necessarily any better. They are therefore unlikely to seek to bring down the Government on the basis of some broadly worded motion about economic incompetence, though they might vote against the Government on some specific legislative proposal. That is where the possibility comes in of the Government being defeated by accident. It is very difficult, for instance, to see the Unionists supporting the Prices Bill, although they could abstain.

The second factor is that the Unionists realise that they have nothing to lose by going all out for what they can get. Of course, the restoration of Stormont may be beyond the question, but there are other concessions which could still be won. The Government, after all, must be tired of the years of direct rule in Northern Ireland without political progress. Why not go, therefore, for some sort of limited local democracy like directly elected Regional Councils, and would it not be better to seek at least the promise of such a development from a Labour Government? Such a promise would have something very close to all-party support, whereas the danger of waiting for a Tory Government would be that Labour in opposition would have nothing to do with any such thing, and even the Tories might think twice before abandoning power-sharing.

That, at any rate, seems to be the present Unionist thinking. In practical terms it is hard to say who is making the running—Mr. Roy Mason, the Secretary of State for Northern Ireland, or the Ulstermen themselves. But preliminary talks have certainly begun. One would expect to hear more of them, just as one would expect the setting to move from Belfast to Westminster. The fact that they are going on at all is another reason why an early election is less than inevitable.

If all that sounds unduly hypothetical, it is perhaps worth returning to the developments of the past few days. There has been no particular sign that the Prime Minister has been able to reassert his authority either in the Labour Movement, in the Parliamentary Party or in Cabinet.

To take just one little-noticed example of the decline of authority in general. At Question Time on Tuesday Mr. Albert Booth, the Secretary of State for Employment, was asked by Mr. Frank Allaun of the Labour Left to repudiate recent speeches by Mr. Gordon Richardson, the Governor of the Bank of England, and Mr. Joel Barnett, the Chief Secretary to the Treasury. Mr. Booth replied that he would rather take Mr. Allaun's advice than that of "either of those two gentlemen."

It subsequently transpired that Mr. Booth had confused Mr. Barnett with Sir Douglas Wass, the Permanent Under-Secretary at the Treasury, the latter being a civil servant and the former a senior Minister. The private apologies to Mr. Barnett were then profuse. Yet it remains remarkable that a member of the Cabinet should have spoken in public of the Governor of the Bank of England and a top civil servant in this way, and even more remarkable that hardly anyone should have taken the slightest bit of notice. When a Minister speaks like that, it is not surprising that the Labour Left should be having a field day. In the House of Commons it has continued to dominate the debates.

The right or moderate wing of the Labour Party meanwhile has been distinctly quiet, if only because it admits to a state of confusion and to not knowing the answers. It is as if the two wings of the Party had been allowed to go their separate ways without anyone attempting to bring them together. The Right, one is told, tends to be in command at the meetings of the Parliamentary Party, while the Left goes off and talks to the militants in the Labour Movement.

Again, however, it would be rash to assume that it will go on like this indefinitely. Sooner or later the strikes will be over and the party will regroup. Mr. Callaghan himself gave a hint of things to come on Tuesday when he spoke briefly of the limits to public expenditure. In truth, he was doing no more than echoing the remarks of the Governor of the Bank of England the day before, and little notice was taken. But the need to bring in a budget will surely concentrate the mind. Whether the Chancellor's date is March or April, it looks as if the Government will have to do it and then see what happens. It may then be defeated, but the end if it comes may be messy and, for all the punters' calculations, more by accident than design.

MEN AND MATTERS

Taxi men in high cabal

Unnoticed thanks to general mayhem elsewhere, London's taxi drivers are—appearances to the contrary—taking industrial action like everyone else. Secondary (or possibly tertiary) picketing outside the showrooms of Mann and Overton, sole distributors of taxic abs in London, has—it is true—not been much in evidence. "The weather and all that traffic . . ." explains the Licensed Taxi Drivers Association.

But, weather permitting a full complement of pickets is expected to turn up today outside M and O's showrooms in Wandsworth Bridge Road, to enforce a boycott which has already cost the company orders for new cabs worth over £1m.

Andrew Overton, the firm's deputy managing director, tells me despondently that deliveries from the supplier, Carbodies of Coventry, will almost certainly have to stop: "At the moment deliveries are down to one a day," he says. This in turn means that Carbodies' 258-strong workforce will go on to an immediate two-and-a-half day week, with knock-on effects for another 620 of its suppliers.

The odd thing is that no one seems entirely clear why the taxi drivers, in striving for more than the proffered 12 per cent rise in fares, should be taking it out on Mann and Overto et al. Overton suggests caustically that the logic might be that it does not affect drivers' earnings. "Despicable." protests Bill Lucas, managing director of Carbodies. "I can't see what on earth they are trying to achieve."

"It is a very sad state of affairs," agrees Geoffrey Trotter, chairman of the Joint Cab Trade Committee; he is also managing director of London's largest taxi fleet, the Associated Newspapersowned London Cab Company. (Owners as well as drivers are taking part in the boycott.) "In a way it's dog eating dog, we recognise that. But we've got to do something to demonstrate our feelings."

"I only came in with a sprained wrist, then the doctor discovered I was a trade unionist!"

Marital hitch

That select group of men who want to get married to their mothers-in-law have had their hopes temporarily set back by Britain's deluge of strikes. The House of Lords was bracing itself to debate Baroness Wootton's Marriage Enabling Bill yesterday: the aim of the Bill is to make lawful all marriages where there is no blood connection between the parties.

But at the last moment the Bill's second reading was postponed for a fortnight, so that Lord Carrington could deliver a broadside for the Tories on the state of the nation.

Lady Wootton was furious, after slogging up from her Dorking home during a rail strike, to be told that she could not speak for her Bill after all. Although exceedingly spry, she is 81. "The behaviour of the Whips is unforgiveable," she told me.

Having prepared for some oratory, Lady Wootton gave me a discourse on the finer points of her Bill. She has collected a variety of instances of widowers who want to marry their step-daughters, but legally cannot. The growth of divorce has also increased the numbers of such cases.

How does Lady Wootton rate the outcome for her proposals, when they are eventually voted upon? "I never bet on my own chances of success," she said.

Of course, marrying your mother-in-law is only one of several new marital possibilities the Bill opens up. But when I put that particular example to a colleague, he replied: "Well, if you can't beat them, join them, I suppose."

Desert thirst

President Idi Amin may be pining for his whisky supplies, but out in the Gulf they are yearning for a much more esotic drink which Britain cannot for the moment deliver. The name is Vimto, made in Withenshawe, near Manchester, and for 50 years the sheikhs have been downing it with relish. Now the hauliers strike has stopped the Vimto flow for more than three weeks.

"The only other time we could not send Vimto to the Middle East was during the last war," says John Nichols, whose father started the business. Although he is not now expecting such a long hiatus as that, he is hardly cheerful at losing £12,000 a day on a 50-employee business.

When I asked what is in his cordial that so tickles the Arab palate, he was coy: "Black-currant, and something that's secret." Well, if Coco-Cola can deploy that gimmick, why not Vimto too?

By the back door

Notwithstanding the Iranian Government's closure of all airports, the face of Ayatollah Khomeini has already made an appearance in the Gulf—on banknotes. One of our correspondents, Kathleen Bishtawi, tells me notes issued by the Ayatollah's followers are in circulation not just in Iran but in the Arab trading ports on the other side of the Gulf. They bear the legend "Bank Markazi Iran" (the central bank of Iran) and a portrait of the bearded exile.

No one, she says, is accepting them. Then again, no one is throwing them away either.

Odd man in

A vision of coming debacles closer to home: the Norwegian Association of Vicars' Wives faces an anguished decision at its annual meeting next month. To date, only bona fide women have been allowed to join. For some years, however, Norway's State-supported Lutheran Church has allowed women to be ordained. And now the inevitable has happened. Jan Martin Stensaker, husband of Anne Stensaker, ahospital chaplain, has applied for membership. The association, he points out reasonably, deals with many matters of interest to vicars' spouses. . . .

If he is successful, the Norwegian vicars' wives will have to change their statutes to accommodate him.

Is that clear?

From a staff circular issued by a Bradford company: "The actual return fare to the employee's permanent place of employment (or home if less) at the class appropriate to his grade will be allowed plus day subsistence for the period from the end of the 24-hour cycle for night subsistence to the time of arrival at his permanent place of employment (or home) within the limit of night subsistence for the nights of absence over the week-end."

Observer

هكذا من الأصل

SOUTH AFRICA

BY QUENTIN PEEL, IN JOHANNESBURG

An economy marching on feet of clay

A NEW coat of paint is being given to the walls of Orlando High School in Soweto, hiding the slogans of black power which date from the student revolt of 1976. The burnt-out classrooms are being rebuilt as an administration block for teachers. This week, for the first time in two years, the doors of Soweto's oldest and most distinguished high school were reopened to pupils.

The business pages of the South African Press daily trumpet fresh advances of the gold price, apparently undaunted by its temporary setback caused by President Carter's dollar stabilisation package and now riding high once more on the back of the Iranian oil crisis. Gold contributed a massive R3.9bn ($4.5bn) to South Africa's exports last year, and the current account surplus is now expected to be in the order of R1.5bn ($1.7bn) for the year as a whole. Gold mine taxes have left the Government awash with revenue, far beyond its budget expectations, and have persuaded the Treasury not to renew R376m ($432m) of loan issues when they mature next month.

The Rand Daily Mail index of industrial shares on the Johannesburg Stock Exchange last week reached its highest point since September, 1969, and brokers confidently expect the bull market to last, given continuing high liquidity in the financial institutions. The prolonged economic recession which began in 1974 finally bottomed out at the end of 1977, and in spite of a faltering recovery, last year's 2.5 per cent growth rate is expected to improve to about 3.5 per cent this year.

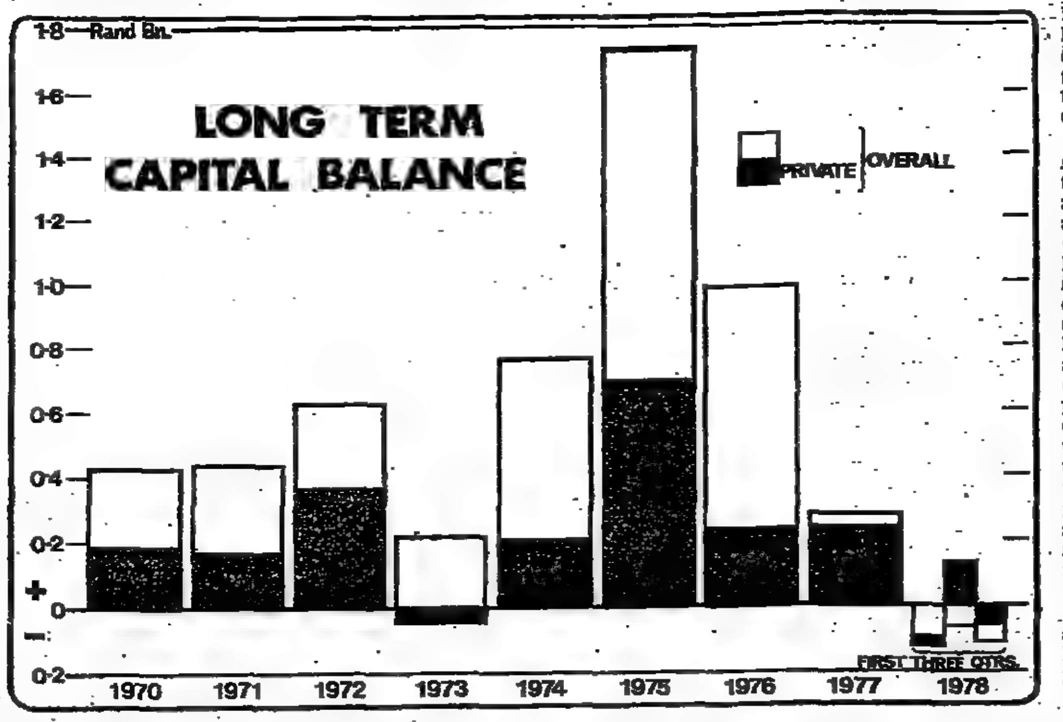
And in what was seen in government circles as the most important seal of approval on the turn-round in economic performance, during November Senator Owen Horwood, the Minister of Finance, successfully negotiated international loans totalling $250m on the international market.

On the political front, Mr. P. W. Botha, elected Prime Minister last September as successor to the formidable Mr. John Vorster, is still enjoying something of a honeymoon in his efforts to mop up the mess left by Dr. Connie Mulder, the former Minister of Information, and Dr. Eschel Rhoodie, the Secretary for Information, with their grandiose plans for a secret propaganda slush fund.

As for the sensitive international issue of neighbouring Namibia, where Mr. Vorster's parting gesture was to set South Africa on a confrontation course by calling an election on his own terms in defiance of the UN, the latest round of discussions between the South African government and the UN would seem to have brought the efforts for an agreed settlement there back on course. There are real prospects for a UN-supervised election later this year.

Against this background, the announcement by Senator Horwood of new incentives for foreign investors would appear to be particularly alluring. His decision to expand the uses of Securities Rand to include general equity investment in South Africa for non-residents, as well as the investment in quoted securities currently permitted, should make for a dramatic improvement in the potential yield of new industrial investment or plant expansion by foreign companies. The yield will depend on the discount at which the Securities Rand, renamed Financial Rand, is trading. Dividends will be freely remittable at the higher exchange rate of the commercial Rand.

Whatever the discount, the new system means that a potential investor will no longer face an automatic loss if he wishes to repatriate his capital. Under the existing system, an investor in any fixed capital assets must bring his money into the country at the official exchange rate; if he wishes to take it out again, he can do so only at the Securities Rand discount—or by leaving the money invested in government securities for another seven years.



Coupled with strict limits on the domestic loans which subsidiaries of foreign companies may raise on the South Africa market, the rules have proved a major disincentive to foreign companies considering an expansion of their stake in South Africa. In the future, an investor will be able to bring money in and out of the country via the Financial Rand market. He thus faces a risk—but not the certainty—that the rate will become less favourable. In a parallel effort to encourage more foreign investment, Senator Horwood has promised that the limits on domestic borrowing will be less strictly applied in the future.

Obviously he is not giving a handout to foreign investors from the goodness of his heart. And equally obviously the outlook is not as rosy as some of the indicators suggest. The Horwood package, which will lead to a managed float of the Commercial Rand in tandem with a free float of the Financial Rand, is designed to tackle profound and persistent structural problems in the economy which existing economic instruments have proved incapable of resolving.

In the first place the huge current account surplus—a tribute to the gold price, other mineral exports including diamonds, coal and iron ore, and to the low level of domestic activity which has reduced imports—has failed to be translated into a significant strengthening of the gold and foreign exchange reserves. Indeed, in December the foreign exchange component of the reserves actually fell by R210m ($242m) to only R365m ($420m), barely enough for a month's imports.

The reason is the continuing outflow of capital from South Africa, both on the short-term account since 1975, and worsened by a long-term outflow over the past year.

The reduction of trade credits because of the low level of imports has been a major factor in the short-term outflow, and repayment of public sector debt has been an element of the long-term decline. However, the slump in the inflow of long-term capital from its peak of R1.7bn in 1975 is principally a reflection of the way the international markets have dried up for South African borrowers, leaving both central Government and public corporations with little choice except to repay their debt or pay exorbitantly for its renewal.

Moreover, in spite of a consistent diet of conservative fiscal and monetary policies, and exceedingly cautious attempts to provoke renewed economic growth while controlling inflation, the inflation rate has stubbornly refused to come down. The consumer price index rose by almost 12 per cent last year, very much the same as in 1977. Since the beginning of 1979 petrol has been made 10 per cent more expensive because of the combination of the OPEC rise and the need to buy more oil on international spot markets since Iran stopped exporting. Fertiliser prices have also been increased, and farmers are calling for a substantial review of the government-controlled prices for many of their products, including maize and sugar. These prices have been kept artificially low in recent years as part of the anti-inflation campaign.

The full effect of the cut-off of Iranian oil is still uncertain. A working party is still investigating ways of reducing fuel consumption, particularly by industry and commerce. But by far the largest fuel user is the transport sector, and clearly there are limits to the extent that can be scaled down without having an adverse effect on economic activity. Oil industry sources and government officials maintain that alternative oil suppliers are available, but at what premium is not known.

The South African government also has yet to tackle the fundamental structural problem of labour mobility and the lack of skilled workers, which would be aggravated in any renewed growth phase. The slump in immigration has meant that a whole range of industries are now reporting skill shortages. Two key commissions, the Wiehahn and Riekert inquiries, are investigating ways of better utilising the majority Black labour force.

Mr. Horwood's latest package will, he hopes, give him more room for expansionary domestic policies without threatening the reserves. It is also intended, through the mechanism of the Financial Rand, to make foreign investors an offer they cannot refuse. Yet there is still reason to doubt whether the Government has finally committed itself to a more growth-oriented strategy. The Minister spent almost two months agonising over the report on exchange rates produced by Dr. Gerhard De Kock, before he finally produced his response. The well-nigh universal welcome it has received makes one wonder what his doubts were.

Two reasons are given for the hesitation. One is the almost universal paralysis which has struck the upper echelons of the Government in the wake of the Information Department scandal. The other is the continuing division in government circles between the proponents of growth as the first priority and those who insist that inflation must be beaten first. The former fear that without a rapid return to growth rates of more than 5 per cent, there will be a continuous increase of black unemployment, already at an unacceptable level of something approaching 2m unemployed and under-employed. The latter, perhaps more closely reflecting the priorities of the white electorate, emphasise the destabilising effects of inflation and the consequent erosion of living standards.

The divisions within the ruling National Party exposed by the Information Department scandal, which has brought Dr. Andries Treurnicht, high priest of the hard-line conservatives, to the leadership of the most powerful province, the Transvaal, and the arrival of a new Prime Minister, Mr. Botha, have meant that such debates are no longer easily resolved.

Mr. Botha is still an unknown and unpredictable quantity. He has made some startling statements — at least within the traditional framework of National Party policy — such as his promise to review the 1936 Land Act, which lays down the distribution of land between Black and White. He laid considerable emphasis on the promotion of economic growth in his New Year message. Yet he sees the world in stark cold war terms, and believes South Africa is facing a total onslaught which requires a total and co-ordinated response. If necessary that means putting the whole economy on a war footing.

Whether he will prove any more capable of compromise than his predecessor it is still too early to judge. He appears to be set on introducing his party's proposed new constitution, providing parliaments for Whites, Coloureds and Asians, but not Blacks. In spite of the clear opposition of leaders of all the other communities. His suggestion of making land concessions to the Blacks has persuaded the traditionally conservative black homeland leaders to listen to him.

In the urban Black townships, all is quiet. The children are mostly back at school in Soweto, even though they have been carefully reorganised to prevent any one school containing too high a concentration of the older and more militant students. But guerrilla incidents in outlying areas of the country are increasing, and it seems merely a matter of time before a group succeeds in penetrating to one of the major urban areas.

For the potential foreign investor in South Africa, the immediate financial rewards may be improving, but the longer-term imponderables remain. It is doubtful that Mr. Horwood's blandishments will succeed in attracting many investors willing to commit themselves for longer than five years.

Letters to the Editor

Railway trade unions

From the General Secretary, National Union of Railwaymen.

Sir,—Your leader of January 24 makes the very valid argument that there ought to be a rationalisation of the railway trade union structure.

The National Union of Railwaymen was founded in 1913 by a fusion of three railway unions and enshrined in the rule book is the objective of one union for all railwaymen. We have been working for this for nearly 66 years now. Every year the NUR once again makes the approach to the other unions for some step forward to achieve a common approach to the problems of the industry.

In February, 1977, I suggested the creation of a joint executive committee with each union having the power of veto. This was not acceptable. I urged that at least a joint trade union committee should be formed with equal representation to discuss items of mutual concern before representations were made to management—and that decisions should be by a consensus. Regrettably, however, despite several approaches by myself and the NUR president during the last year, even this minimum liaison has not been taken up.

The Railway Staff National Tribunal, which is the independent railway arbitration body, observed pay-train guards at work and awarded that "the payments under the new agreement can be regarded as compensation for additional responsibilities." The tribunal also agreed that the pay-train guards question was outstanding from its award No. 42 in connection with the 1974 pay structure review.

This union has an outstanding record of realistic approach to the efficiency of the railway industry. There really is a clear difference between bargaining across the table on the basis of "trading jobs for money" and the constructive approach to productivity in the overall context of the 1979 annual pay claim. This is completely in line with the consistent policy of the NUR.

Sidney Weighell.
Unity House,
Euston Road, NW1.

Cross-Channel links

From Mr. D. Hunt

Sir,—Mr. Keith Wickenden's spirited response (Jan. 19) to my challenge of his estimate of the 1980 out-turn cost of the 1974 Channel Tunnel project, was not unexpected. Understandably, representing as he so staunchly proclaims, sea-ferry interests, he would not view with any degree of equanimity the prospect of a fixed cross-Channel link — let alone its cost estimate.

To continue with analysis and counter-analysis of our respective estimates would, I fear, result in a sterile interchange, which would be an abuse of the valuable space of your columns. Therefore, in an attempt to rationalise my exchange with Mr. Wickenden, may I put the cost of the Channel Tunnel in perspective?

Even if one accepted his hypothesis that increased construction costs and inflation would have escalated the out-turn cost of the Channel Tunnel to £2.5bn in 1980, such an increase in out-turn cost — caused by inflation — would in no way detract from the overall economic viability and benefits of a Channel Tunnel.

Whereas, in 1974 the sea-ferry charge to Calais, for a standard family car and four passengers was £26.55, the current summer 1979 charge, will be £60.60, an increase, doubtless due to inflation, of 128 per cent. Therefore, any increase in tunnel cost estimates, due to inflation, would have been correspondingly off-set by increased tunnel revenues.

Despite dismissing much of what I wrote as "inappropriate for comment," the fact that tunnel tolls would have been cheaper must have pricked an area of some sensitivity, as Mr. Wickenden felt it "appropriate" to say that I had "apparently overlooked that, according to the British Channel Tunnel Company, prices would have been 42.86 per cent higher than those of conventional ferries." It is not the first time that this figure has been conveniently deployed out of context.

Mr. Wickenden refers to a cost benefit study which was prepared for the Government in 1973. One aspect of this study investigated the sensitivity of Channel Tunnel revenues to the possibility — in the 1980s — of sea-ferry operators, in order to retain their market position on the short sea routes, reducing their fares to 30 per cent below tunnel tolls. The results of his particular study concluded that, even in this situation of sea-ferry charges being 30 per cent lower — which is equal to tunnel tolls being 42.86 per cent higher, when viewed from Mr. Wickenden's side of the fence — the Channel Tunnel would still be financially viable.

Donald Hunt.
3 Frobisher House,
Dolphin Square, SW1.

Centre Point

From Mr. K. Rubens

Sir,—The proposed listing of Centre Point as a building of architectural merit provides the final irony in the long history of this building.

It was the so called "scandal" of the empty space in Centre Point that prompted legislation for the rating of empty buildings, and also for the imposition of a penal rate where a building was being kept empty deliberately. The latter legislation caught out many property owners but never Centre Point.

The final irony? Listed buildings are exempt from all empty rates. This should please the ratepayers of Camden.

K. D. Rubens.
Albany House,
Petty France,
London, SW1.

Finance houses dilemma

From Mr. D. Morris

Sir,—Roger Chadder's conclusion (Management Page, January 17) that it would perhaps be inappropriate and generally unwise for leasing companies to release deferred tax provisions is, I am sure, the right one.

Most finance houses (and for that matter banks) are engaged not only in leasing, but also make available to their customers alternative means of finance by way of overdraft, loan, hire purchase, etc., funding all such finance out of shareholders' equity and deposits. The ratio of deposits to equity varies according to the nature of the financial institution. Should a liability to deferred tax crystallise because there is a change in the basis of tax incentives for capital expenditure, the consequences could be serious if deferred tax provisions had been released in previous periods and if the rate of new business were maintained.

The institution might have appeared very profitable because an insufficient tax charge had been made in the accounts and this might have led to imprudent distribution of profits. A subsequent and disproportionately heavy tax charge arising on crystallisation of the deferred liability could then deplete the capital base to the point where deposit to capital ratios were at uncomfortably high levels. For this reason it is clearly imprudent for leasing companies to release deferred tax provisions to distributable reserves.

An aspect of the Statement of Standard Accounting Practice 15 which is of particular concern to leasing companies is the requirement that upon a change in the rate of corporation tax, as opposed to a fundamental change in the basis of taxation, any increase/decrease in the provision for the deferred tax liability should be reflected in the tax charge against the profits of the year in which the alteration in rate takes place. Because of the size of leasing company deferred tax liabilities such a change in rate could have a highly geared effect on profits after tax were the liability method to be applied. Where a financial institution has a portfolio of leased assets then depending on the relative significance of its leasing business to its overall business a change in the rate of corporation tax will be much more a function of the amount by which the written down value of those assets is exceeded by their book value than of profits as is the situation with a normal industrial or commercial operation.

One is forced to the conclusion that the architects of SSAP 15 have not really recognised the particular problems of leasing and that its recommendations in their present form are inappropriate to companies carrying on leasing.

David J. H. Morris.
Schroder Leasing.
326, Station Road,
Harrow, Middlesex.

Innovation and enterprise

From Mr. C. Simeons

Sir,—The impact of the lorry drivers' strike will be felt for a considerable time after it is all over. Little reference, however, has been made to the remarkable organisation created before the strike was declared official. The more so, because fundamentally, lorry drivers form scattered groups working on their own, with none of the advantages of community action open to factory workers.

This immensely effective exercise has closed the ports and is slowly grinding industry to a halt in a way which few would have believed possible. If only this innovation and enterprise could be harnessed in the reverse direction to raise productivity and speed goods through the ports, the money could soon be earned to raise wages to a level approaching the best of our Common Market partners.

Charles Simeons.
45, Cardiff Road,
Luton.

Church schools in villages

From the Secretary, the Law Commission

Sir,—I was interested to see in Observer's column, Men and Matters (January 19) an item about the closing of Church schools in villages, the School Sites Act, 1841, and the difficulties that can arise. You might like to know that a working party under the aegis of the Law Commission was set up in June, 1978, to examine this very problem and other similar problems connected with the reverter of church sites and connected residential accommodation.

J. C. R. Fieldsend.
Conquest House,
37-38, John Street,
Theobalds Road, WC1.

Embezzlement by inflation

From the Chairman, The Sound Money League and Taxpayers' Association

Sir,—Mr. J. Dews (Jan. 20) does well to point out the close relation to the embezzlement of private capital which inflation creates. By pursuing inflationary policies our Governments have let the country down. Inflation being the most damaging form of taxation.

Richard Wolfenden.
The Old Homestead,
Ugley Green,
Near Bishop's Stortford, Herts.

The workers pay

From Mr. T. Cobbald

Sir,—Recent events have shown that, in practice, socialism in Britain amounts to the imposition of social costs by favoured groups without any commensurate social contributions. In a free country the right to choose not to work at the going rate is, of course, defensible. What is not, however, is the now-sanctioned "right" to require the community as a whole to mitigate the consequences of exercising that choice—in terms of social security payments; payment of salaries and wages to employees who renege (through go-slows, blackings, irregular working and other forms of disruption) on the implicit terms of their employment that they should serve their employers' interests; and legal support for those whose claims for higher pay are, per se, so insubstantial that they have little chances of success without the coercion of third parties to which they resort.

The days have long since gone (if they ever existed) when the costs of socialism—which now, in effect, extend to meeting "rights" to financial income, not just to providing opportunities to actually work—could be met by trimming the consumptions of the wealthier elements of our society. But we cannot now pretend that our present problems are, in the broader perspective, inconsequential because in the longer run the social costs are borne by those who cause them.

On the contrary, one can see a growing dichotomy between those sections of the population whose contributions exceed their demands and those to whom the reverse applies. Accounting logic suffices to show that the latter group cannot expand indefinitely at the expense of the former, who can be readily identified with those who actually produce wealth (as opposed to those who merely participate in the spending of it). But left-wing politicians continue to preach policies that represent a denial of this simple truth.

The deindustrialisation of Britain is countenanced in the naive belief that we can maintain our standard of living, notwithstanding, by the expedient of passing the washing bills of a majority of non-producers on to a minority of producers for settlement. The longer such misconceptions persist the greater is the damage done to the longer-term prospects for our economy and, ultimately, for our, and our children's welfare.

It is to be ardently hoped that in the debates preceding the next general election these important issues will be illuminated by plain speaking of the brand we have had recently from Mrs. Thatcher.

T. E. Cobbald.
16, Wallcroft,
Durdham Park, Bristol.

Moving to Gatwick

From Mr. J. Wilding

Sir,—Accepting Mr. Kendrick's proposal (January 23) that some change is necessary, the fairest and most practical solution should be that long haul overseas flights go to Gatwick and all short European flights use Heathrow. The latter are used many more times by more people and the shorter journey time to Heathrow is a significant percentage of the total journey time; not so with the long-distance flights.

J. B. Wilding.
63-65, Crutched Friars, EC3.

The importance of purchasing

From Mr. B. MacNay

Sir,—Reading Mr. Lorenz's article (Jan. 19) on the Corfield report, one is struck by the almost complete lack of reference to the importance of purchasing in a business environment. Selecting a few references, purchasing is a major contributive factor when assessing price, reliability, maintainability, delivery, cost targets and design changes.

Two of the eleven phases of innovation and launch, viz. preliminary cost estimate and manufacture, particularly stand out for assessment by an experienced purchasing department. There is no product made without purchased material for which delivery, price and quality are paramount factors. Also not apparently pinpointed is the need for design engineers to recognise the contributory strengths of a competent purchasing department.

One assumes that in his report Mr. Corfield would have included purchasing as a manufacturing responsibility, but purchasing is too important to be ignored or taken for granted.

B. H. MacNay.
Howard MacNay International,
9 Windmill Drive,
Leatherhead, Surrey

Today's Events

GENERAL

U.K.:—Prime Minister speaks at Labour Party eastern region rally, Borehamwood.

TUC economic committee meets to discuss agenda for talks with Ministers on economic policy and future of pay levels.

Mr. Patrick Steptoe and Dr. Robert Edwards statement on test-tube babies, Royal College of Obstetricians and Gynaecologists.

Welsh National Union of Mineworkers appeals to South Wales Coal Board against closure of Deep Duffryn pit.

Food and Drink Industries Council meets, Victoria Street, SW1.

Overseas:—Pope John Paul II arrives in Mexico City for three-day visit to inaugurate Latin American Bishops' conference (January 27 to February 12).

Bank for International Settlements publishes statistics on international borrowing.

In Maputo (Mozambique) Foreign Ministers from 30 member states of non-aligned movement open talks on Rhodesia, Namibia and South Africa.

OFFICIAL STATISTICS

Department of the Environment publishes December figures for bricks and cement production.

PARLIAMENTARY BUSINESS

House of Commons: Private members' Bills.

COMPANY RESULTS

Final dividends: C. G. S. B Holdings. Interim dividends: John Brown, Burt Boulton Holdings, William Cook and Sons (Sheffield).

COMPANY MEETINGS

Chemring, Alchem Works, Fratton Trading Estate, Portsmouth, 12. Frederick Cooper, Goldthorn Hotel, Penn Road, Wolverhampton 12. Vaux Breweries, Seaburn Hotel, Sunderland, 12. John Williams of Cardiff, Royal Hotel, St. Mary Street, Cardiff 12.

Inchcape first half hit by Dutch trading losses

AFTER deducting £3.8m for Dutch trading losses, Inchcape and Co., reports profits before tax of £23m for the half year to September 30, 1978 compared with £34.42m in the same period last year.

The directors say that the position of Harborn, Holland has been stabilised and they are confident the company will return to profitability.

The interim dividend is lifted from 6p to 6.5p and the Board expects to recommend a total of not less than 16.5p for the year—the previous total was 15p from pre-tax profits of £62.3m.

After tax of £8.9m (£13.44m) and minorities of £677,000 (£1.33m) first half attributable profit is £13.42m against £19.65m.

The Board states that the profit is some £1m less than it would have been if the translation of exchange rates had been made on the rates of exchange ruling for the previous year.

No part of the expected £12m exceptional provisions in respect of Dutch commodity trading has been deducted in arriving at the results, but these will be reflected in the audited accounts for the full year.

In the first half, group operations have proved reasonably resilient in trading conditions which were not particularly favourable, the directors state.

The results have been affected, however, by two main influences—losses in Harborn Holding and a lower level of profitability in the Middle East.

The Board feels that in spite of difficulties in the current year, it is fully justified in looking to the future with confidence.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
W. G. Allen ......int.	0.8	Mar. 30	*0.72	—	*2.57
Allied Textile	4.42	Apr. 5	3.96	7.24	6.49
Bullough	1.52	—	2.96	7.68	5.6
Cowan, de Groot ...int.	0.8	Apr. 4	0.72	—	2.31
Derby Trust	7.7	—	7.13	14.8	13.42
Edinburgh American...	1.2	Apr. 16	1.1	1.2	1.1
Fitch Lovell ......int.	1.20	Mar. 30	1.28	—	4.09
Hamersley Hldgs.	§5	May 3	—	9	16
Inchcape ......int.	6.5	Mar. 30	6	‡—	15
Y. J. Lovell	2.85	—	2.39	4.35	3.89
Macarthys ......int.	1.5	Apr. 7	1.5	—	4.38
Throgmorton Trust ...	2.88	Mar. 21	2.38	4.88	4.38
Watson & Philip	1.86	Mar. 12	1.67	2.71	2.43
A. J. Worthington int.	0.34	Feb. 23	0.31	—	0.79

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Not less than 16.5p total expected. § Australian cents.

Lister recovery continues

THE STRONG recovery seen in the last full year at Lister and Company, textile manufactuer,—when a turnround from a loss of £0.5m to a profit of £1.41m was reported—continued in the six months to September 30, 1978, and for the period the company announces a pre-tax profit upsurge from £338,000 to £805,000.

In the second half pofitability has continued to impove but the directors say that they will await year-end results before recommending a dividend. Last years payment was 1p (0.1p) net.

Turnover for the first six months advanced from £16.27m to £19m and trading profit improved from £1.05m to £1.61m.

Pre-tax profit was struck after depreciation of £395,000 (£279,000), interest of £456,000 (£389,000) and surplus on the *disposal of fixed assets* £19,000 (£28,000).

Tax for the period took £21,000 (£10,000), extraordinary debits £250,000 (£307,000) and outside interests £3,000 (same).

Turnover of the company's subsidiary Joseph Hoyle and Son, spinner and manufacturer, showed little change at £2.59m (£2.56m for the first half, but pre-tax profits improved from £7,873 to £77,759.

Macarthys aims for £3.7m

IN ITS current year to April 30, 1979, Macarthys Pharmaceuticals is looking for pre-tax profits of around £3.7m, compared with the previous year's record £3.19m.

With profits for the October 30, 1978 half-year ahead from £1.47m to £1.85m, the directors expect the second half result to be broadly the same as that now reported. Turnover was better at £55.61m (£43.55m).

The directors state that with the exception of pharmaceutical manufacturing, where sales and profits remained virtually unchanged, all divisions increased results in line with expectations.

Business in the veterinary companies has been especially buoyant, they add.

Tax takes £0.96m (£0.77m) leaving stated half-yearly earnings per 20p share up from 6.6p to 8.3p. The interim dividend is maintained at 1.5p net—last year's final was 2.88p.

	Six months 1978 £000	1977 £000
External sales	55,611	43,548
Pharmctl.—mfg.	1,416	1,386
Pharmctl.—dstrbn.	43,678	34,280
Surgical distribution	5,179	3,978
Retailing	6,832	5,765
Veterinary	3,929	2,577
Less internal sales	5,423	4,418
Profit	2,331	1,857
Pharmctl.—mfg.	67	68
Pharmctl.—dstrbn.	1,473	1,143
Surgical distribution	210	170
Retailing	355	330
Veterinary	226	156
Unrealised profits	28	—
Management expenses	215	190
Staff bonus	240	193
Profit before tax	1,848	1,474
Tax	964	766
Net profit	884	708
Pref. dividend	14	14
Available ord.	870	694

● **comment**

Pharmaceutical manufacture and distribution are currently both competitive activities. Macarthys' other interests have therefore assumed increasing importance, *a trend which shows through in* the latest 28 per cent increase in profits. The biggest contribution, in fact, came from the *veterinary division*, largely thanks to the company's aggressive marketing over the last two years when a main competitor dropped out. Elsewhere, the static outlook in manufacturing, is largely due to costs associated with refurbishing a factory while the company is gradually concentrating on more specialised products. The continued recovery in pharmaceutical distribution has been helped by Macarthys' decision to accept the breakdown of price maintenance and offer discounts to retail chemists. Assuming the group can recover its previous market share it should be comfortably able to absorb the reduction in margins. At 117p *the shares are on a prospective* p/e of 6.9 and yield 5.7 per cent.

Fitch Lovell jumps 46% to £4m at midway

FOR THE 28 weeks ended October 28, 1978, profits before tax of Fitch Lovell rose 46 per cent to £4.03m. Sales were £247.7m compared with £246.14m.

The directors say that the diversity of the group's interests produced this satisfactory result despite severe conditions affecting some sections.

The first half result and Christmas trading provide a sound basis for continued progress in group performance, the board states. However present economic and industrial conditions *preclude any comment on the full* year results.

	28 weeks 1978 £000	*1977 £000
Sales	247,700	246,137
Trading profits	5,651	4,983
Manufacturing	2,204	1,992
Agency, wholesale, etc.	988	[illegible]
Agric., fisheries	849	‡161
Retail	1,259	1,178
Other activities	361	334
Interest & central costs	1,312	[illegible]
Exceptional items†	312	854
Profit before tax	4,027	2,767
Tax	1,200	550
Net profit	2,827	2,207
Extraord. debit	1	§20
Pref. dividend and minorities	18	16
Attributable	2,808	2,211
Ord. dividend	802	789
Retained	2,006	1,422

† Profits on disposal of group properties £524,000 (£174,000); development and reorganisation expenditure including financing costs £888,000 (£332,000) and other exceptional items £188,000 (£96,000). * Adjusted in consequence of deferred tax and formation of *agriculture, fisheries and feed sector.* ‡ Loss. § Credit.

Earnings per share for the first half are shown at 4.54p (3.91p) and the interim dividend is 1.29712p against 1.27776p. The total last year was 4.09019p from pre-tax profits of £7.61m.

Major factors affecting the sales performance included decisions, previously reported, concerning the withdrawal by Lovell and Christmas from symbol group wholesaling and by Key Markets from limited range discount retailing and an accelerated closure programme of small retail outlets.

These policy decisions represent a reduction in sales of some £14m.

The new Agriculture, Fisheries and Feed sector, which comprises the group's poultry interests, the recently acquired feed compounding unit and the commercial aspects of marine farming, showed a swing of £1m, principally due to the performance of poultry, the directors say.

In highly competitive conditions the retail sector improved on the results achieved last year. Both *West Layton* and Key Markets recorded better figures.

Since then the recent industrial disputes make the maintenance of a consistent trading performance highly problematic.

With effect from the beginning of the current year, the tax charge is calculated in accordance with SSAP15. The level of charge has been mitigated by *accelerated* capital allowances, stock appreciation relief and other timing differences to the extent of £1m (£1.1m).

● **comment**

Much of Fitch Lovell's 46 per cent increase in pre-tax profits can be explained by the £¾m saving in net reorganisation costs. Nevertheless, a rise of one-fifth before exceptional items is slightly better than expected and reflects an improvement on some important fronts. The upturn in agriculture, fisheries and feed has been possible in the wake of some severe rationalisation in the poultry business but the best outcome was probably in retailing. The closure of 38 small David Greig units in January has eliminated previous losses while the sale of KD has further strengthened this division for the future. Looking ahead the group is bound to be affected by the lorry drivers' dispute but in the short term the strike could boost Fitch's manufacturing side through increased demand *for canned food*. Assuming final profits of £8m the prospective p/e is 9.6 and a yield of 11.2 per cent at 61p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: John Brown, Burt Boulton, William Cook, Gold Fields of South Africa, Hallite Holdings, Palmerston Investment Trust.

Finals: C.G.S.B., Glanfield Lawrence, Olympia (Redacre).

FUTURE DATES

Interims—	
Country & New Town Props.	Jan. 29
Hillards	Feb. 7
Longton Transport	Feb. 1
Finals—	
Evode Holdings	Feb. 6
Hill and Smith	Feb. 8
Hirst and Mallinson	Feb. 2
Scottish Agricultural Industs.	Feb. 7

W. G. Allen higher at six months

FOR THE six months to September 30, 1978, W. G. Allen and Sons (Tipton), the engineering concern, reports pre-tax profits ahead from £180,000 to £279,000, on sales of £3.99m against £3.1m.

However, the directors say the company suffered a severe setback in November when output of the Tipton works was disrupted by industrial action, which culminated in a three-week total strike during December. It is estimated that the equivalent of at least one month's turnover from Tipton was lost by this action.

They say it is still possible for the full year to show reasonably good results provided that output and sales are not interrupted for the last 11 weeks of the current year by factors outside the company's control.

The company has already been hit by the transport workers' strike and, with the threat of strikes elsewhere, the directors do not feel able to make any realistic forecast of the outcome for the year.

For the previous full year, pre-tax profits of £496,272 on £6.99m sales were achieved.

In the *1977-78 half-year*, fabrication work at Tipton and Littlehampton was buoyant and sales of air heaters continued to expand, the directors report.

Demand for boilers, however, continued to decline, reflecting the poor state of the construction industry and the lack of investment in capital goods.

After tax of £145,000 (£93,000), net profits for the period rose from £87,000 to £134,000. The net interim dividend is effectively raised from 0.72p to 0.8p per 25p share, costing £29,759—last year's payments totalled an equivalent 2.5694p.

Allied Textile rises to £3.2m as export turnover increases

TAXABLE profits of Allied Textile Companies rose from £2.83m to £3.23m in the year to September 30, 1978, on turnover ahead from £30.7m to £34.4m. At the halfway stage the group went ahead from £1.39m to £1.65m.

About half the turnover was accounted for by direct or indirect exports, against 30 per cent the previous year. The directors say that the large contract for Iran has been delivered and completely paid for.

The Board adds that first quarter management accounts *will show a satisfactory result.*

	1977-78 £	1976-77 £
Turnover	34,403,488	30,697,161
Trading profit	2,739,694	2,624,440
Except. income	487,954	204,039
Taxable profit	3,227,648	2,828,479
Tax	1,550,000	1,330,000
Profit after tax	1,677,648	1,498,479
Extraord. debits	115,501	38,614
Available	1,562,147	1,459,865
Dividends	452,266	405,020
Retained	1,109,881	1,054,845

The directors say the cash and cash equivalent totals £3.8m (50p *per share) compared with £1.1m* last year. Capital spending of £1.3m was funded by a similar sum provided for depreciation, *and continued reorganisation,* planned to meet changing demands, has been provided for.

The final dividend of 4.42175p *net per 25p share lifts the total* from 6.48525p to 7.24175p. Available profit comes out at £1.56m against £1.46m and stated earnings afre shown up from 24p to 28.9p.

● **comment**

Allied Textile's full-year results are uninspiring, showing only a 4 per cent rise at the trading level. The 1977 figure has been re-stated but without an explanation it is difficult to judge whether the results could actually reflect a *downturn*. Allied has obviously concentrated most of its efforts on the exports side, which now accounts for around half of group sales, compared with nearly a third a year earlier. But this means that the home contribution has taken a hefty knock, most probably due to severe competition from imported worsted yarns. Meanwhile, the shares continue to be supported by a strong balance sheet. At 140p, the shares are on a p/e of 5.1 while the yield is 7.7 per cent.

Barrow Hepburn subsidiary investigation

Extensive preliminary reports prepared by accountants Whinney Murray, who have been investigating irregularities at the hide dealing subsidiary of Barrow Hepburn, have been passed over to the Glasgow Police Fraud Squad.

The Fraud Squad indicated yesterday that the inquiry into the subsidiary, Schrader Mitchell and Weir, was likely to be difficult but it was planning to hold interviews with a number of people.

Although losses at Schrader could amount to £4.3m, *for which* provisions have been made by Barrow Hepburn, the police are *doubtful whether much of this* is attributable to fraudulent activities.

Whinney ... said yesterday that they were still at work on various details of their investigation "but it is unlikely to have any bearing on the conclusions that we have come to."

Mixed trend for Target Life Assce.

A mixed year for life new business *in 1978 is reported by* Target Life Assurance. New annual premiums were up 20 per cent, from £3.27m to £3.94m, but single premiums fell by 50 per cent, from £18.4m to £9.4m. New sums assured were 35 per cent higher at £283m, but the number of policies issued declined by 10 per cent from 35,000 to 32,000.

The company, which is a mar*ket leader in guaranteed income* bonds, suffered by a decline in sales at the beginning of the year as was anticipated. But *with the rise in interest rates* towards the end of the year, sales recovered sharply, and this should be reflected in the results for the financial year ending June 1979.

The satisfactory growth in regular premiums came mainly *from a strong rise in the average* policy rise.

Edinburgh American

Pre-tax revenue of Edinburgh American Assets Trust was up from £507,000 to £547,000 in the year to December 31, 1978.

After tax of £249,600 (£201,000), earnings per 25p share are stated at 1.53p against 1.58p. The net dividend is increased to 1.2p (1.1p).

A one-for-one scrip issue is also proposed.

Net assets per share after deducting prior charges at par were 161.8p (133.1p), or assuming full conversion of convertible loan stock, 146.3p (121.6p).

Pre-tax revenue was struck after interest and expenses of £874,000 (£747,000). Available revenue was £281,000 (£289,000).

Total assets were £42.79m (£35.2m).

Bullough £0.6m better than forecast with 62% growth

A BETTER than expected 62 per cent increase in taxable profits is reported by Bullough, engineers, for the year to October 31, 1978. At the interim stage, when reporting an advance *from £1.45m to £2.17m*, the directors said they expected second half profits to be similar to those of the first. This would have given a figure of £4.34m but in the event they turned in at £4.95m compared with £3.05m.

Earnings per 20p share are *shown to have risen 78 per cent* from 23.8p to 42.4p, on capital increased by last April's rights issue. And the final dividend is 1.521p net, raising the total payment by 37 per cent from 5.603p to 7.684p. Treasury approval has been given for the increase.

The facotrs leading to the 12-month profit rise included a good performance from the project office furniture division, which increased sales and production from an expansion in production. And the directors say further development is in hand.

The Beanstalk shelving division grew strongly abroad taking exports to nearly 50 per cent and Hago products returned a good profit, in place of last year's *loss, as a result of reorganisation.*

Newman Granger contributed satisfactorily for the nine *months following acquisition*, but B and B Trailers showed a reduced profit because of lower trading levels in the caravan *industry.*

The rest of the group traded satisfactorily with increases and decreases broadly equating.

The year saw capital expenditure of over £2m and a further ... is forecast for the current year.

On this 12 months the directors report that forecasts indicate a further advance in pre-tax profits, albeit below the 1977/78 increase. Results for the first two months were ahead of expectations, but the present climate of industrial unrest makes the final outcome difficult to predict.

A professional revaluation of group properties has resulted in the transfer of some £1m to reserve.

At October 31 the net asset value per share is shown at 183.1p (167.2p).

● **comment**

Bullough's three-fifths rise in pre-tax profits is attributable to three main factors. After providing the biggest contribution to earnings last time Project Office Furniture has rented additional space which showed through particularly well in higher profits in the second half. At the same time, Beanstalk *Shelving has managed to* increase exports while Hago Products, following a patchy history of slumps and recovery, turned round losses of £½m to a surplus of roughly £300,000. The March rights issue has helped reduce borrowings and the Newman Granger acquisition has made a useful start. With a significant percentage of export sales Bullough is potentially vulnerable to a strong pound. So the company's decision a year ago to invoice more contracts in sterling has obviously helped. The results which were well ahead of the company's own forecasts and market expectations, sent the shares 13p higher to 177p where the p/e is 4.1 and the yield 6.5 per cent.

Carrington Inv. lowers profit forecast

THE CHAIRMAN of Carrington Investments has lowered his profits forecast for the year. Announcing *taxable profits* up from £37,000 to £45,000 at the halfway stage, he says that the surplus for the year will not now exceed *1977-78s £53,000.*

In his statement last August he said that unless unforeseen circumstances arose the Board expected profits *for the current* year to be comfortably above those for the year ending September, 1978.

He explained that the group has recently incurred a non-recurring loss of £23,000 on the disposal of plant, fixtures and fittings *associated with the sale* of a fixed asset.

In addition, in the second half-year interest rates have been *several points higher than* envisaged last summer.

These factors, adds the chairman, will result in the 12 months' *profits being lower than* the previous year.

Tax for the half-year to September 30, 1978, is £28,000, against £19,000. For the whole of last year the group, formerly Peldayne (Holdings), paid a single dividend of 2.277p net per 50p share.

Y. Lovell ahead and optimistic

PRE-TAX profit of Y. J. Lovell (Holdings), the builder, developer and timber importer, jumped by 13 per cent from £1.71m to a record £1.93m for the *year to September 30, 1978.* The advance was made in spite of reduced profits from timber and disappointing results from the *joint venture in Nigeria.*

Difficult trading conditions still prevail but the directors believe that with its diverse activities, *enhanced by the recent acquisi*tion of the Farrow Group, the group is well placed to continue profitable growth in 1979.

The progress at the year end was made after an improved second half in which pre-tax profits rose from £995,000 to £1.21m.

Group turnover for the full year was ahead from £54.11m to £62.67m.

Construction and related activities contributed taxable profits of £1.93m (£1.13m), and the timber division £350,000 (£754,000). Losses of associated companies amounting to £355,000 (£174,000) are attributable to Nigerian operations.

A final net dividend of 2.85p per 25p share makes a total of 4.35p, against 3.89p—the maximum permitted increase. Earnings per share are shown up from 22.5p to 24.9p.

	1977-78 £000	1976-7 £00
Turnover	62,670	54,11
Trading profit	2,284	1,88
Share of assoc. losses	355	17
Profit before tax	1,928	1,70
Tax	205	14
Dividends	313	28
Retained	1,411	1,27

Bass Charrington plans to raise prices

An increase in the price of its beers is planned by Bass Charrington.

Speaking at yesterday's annual meeting, the chairman, Mr. Derek Palmar, told shareholders that last year the group undertook to hold the price of all its beers for a period of twelve months, which expires towards the end of February.

"We must keep our earnings at least in line with inflation in *order to generate sufficient* cash flow to meet the cost of replacing worn out assets and to provide for some new investment," he explained.

"It will shortly be necessary to increase the price of our beers," he added.

Commenting on the first three months of the current year's trading, Mr. Palmar said the first weeks were good, sales being well ahead of the previous year, and up on forecast.

However, the severe weather over the new year and in the early part of January had a *depressing effect*, "so at the present time sales are approximately in line with expectation."

In spite of the road hauliers' *strike and the severe weather* the group was meeting "virtually all" its commitments for the supply of beer.

The wine and spirit and soft drink sales for the period had been good and the performance of hotels "again ahead of budget."

Shareholders approved resolution to change the name of the company to Bass.

At the AGM of Ranks Hovis McDougall, Mr. Joseph Rank chairman, said that interim profits would be "significantly below" those of the equivalent period last year.

The strike in the bakeries has knocked the improvement in that area which followed the the withdrawal of Spillers from the competition. And inevitably some of the custom which was lost in the course of the strike had not come back.

The effect of the haulier strike could not yet be gauged but the outlook for the full year was not very *encouraging, although overseas* operations continued to develop satisfactorily.

Mr. Rank expressed his concern at *indications* of tighter price control. This would be bad for employment as well as shareholders, he said.

Mr. J. N. Ferguson, chairman of Associated Engineering reported that during the first four months of the current year *much of U.K. industry*, including many group customers, has suffered from problems arising from industrial disputes. And this, coupled with the continued decline in much of the U.K. engineering industry, would mean that profits will be lower than *those for 1978.*

BIDS AND DEALS

Geoffrey Rose strengthens stake in Audiotronic

An Anglo-American consortium, headed by Mr. Geoffrey Rose, has strengthened its position at **Audiotronic Holdings** with the acquisition of a large parcel of shares from *the Laskey family*.

The trio of two American businessmen and Mr. Rose which rescued Audiotronic last year have purchased almost 1.2m shares from three Laskey family directors. In addition they have acquired voting rights to a similar number of shares which have been retained by the Laskey family.

The deal gives Mr. Rose and his associates voting rights to just over 20 per cent of the group's ordinary shares.

In addition the trio hold just over 1m of 15m Audiotronic cumulative participating preferred redeemable shares.

Mr. Rose said that the aim of the deal was purely to strengthen the consortiums stake. It did not mean the Laskey family was poised to pull out of the business.

"The three Laskey directors will continue to play a significant role in the running of Auditronic and will retain their investment even though we currently control the voting rights to these shares," he said.

The consortium has further strengthened its position with the appointment to the Audiotronic board of three new non-executive directors—all of whom are currently directors of US companies controlled by Mr. Rose's two American associates, Mr. Dan Sullivan and Mr. B. A. Selzer.

Meanwhile, Mr. Derek Smith who last year resigned as managing director of Audiotronics after a boardroom split, has sold his interests in the company. Mr. Smith and his wife have disposed of a total of 1.85m shares which *have been placed with institutions.*

GUTHRIE ROPEL SUCCESS

Guthrie Corporation's defence against the bid from Sime Darby (Holdings) received some encouragement yesterday.

The portion of the offer of shares in Guthrie Ropel open to all Malaysians was oversubscribed 13.3 times. This indicates that the price, which *had to be fixed in conjunction* with the Malaysian authorities, was below what the market could stand.

Guthrie Corporation will thus be able to argue that the valuation of its estates implied by the issue price is not valid. This valuation could be an important part of Sime Darby's justification of the price it is bidding for Guthrie.

A total of 10m shares were offered. Of these, 5m were pre-placed with approved Bumiputra (indigent population) institutions, 2.5m were reserved for Bumiputra investors, and 750,000 for people connected with the company. Applications for 23.2m shares were received for the remaining 1.75m shares.

Meanwhile some confusion about whether Sime Darby is free to bid higher than the 425p it is currently offering persists in the Far East. As far as the City Take-over Panel is concerned, Sime is free to increase the offer despite its statement that it would not do so "in the present circumstances."

Sime bought 347,000 shares in *Guthrie* at 425p per share on Wednesday.

MORE U.S. EXPANSION FOR THORN

Thorn Electrical Industries has acquired **Modutec Inc.**, a leading analogue panel meter company in the U.S. for almost $4m.

Modutec will become part of the test and measurement business *of Thorn's industrial control* engineering division.

Its products will complement those made by Avo, another Thorn unit, to provide a comprehensive range of panel meter instruments for the UK and European market.

Based in Norwalk, Connecticut, Modutec has manufacturing interests in Manchester, New Hampshire, and Barbados.

GNOME PHOTO BLOCK CHANGES HANDS

Sir Julian Hodge has bought a near 7 per cent stake in the Cardiff-based photographic apparatus group, **Gnome Photographic Products.**

Sir Julian has purchased 175,000 shares, 160,000 of which are understood to have been acquired from Central Manufacturing and Trading, which sold its entire holding.

Mrs. H. J. Rees, chairman of Gnome Photographic, said yesterday that Sir Julian had not been asked to join the Board. "As far as I understand it, his stake is for purely investment purposes," she added.

KLEINWORT BENSON INVESTS IN WORD PROCESSOR

Kleinwort Benson has recently invested £250,000 in Data Recall, the designer and manufacturer *of the diamond word processor.*

The investment is in the form of participating preference shares and has had the effect of increasing the company's issued share capital to £275,000.

Kleinwort Benson will be appointing a representative to the Board of the company.

Data Recall's successful trading results for 1977 have been extended in 1978, the number of diamonds installed having trebled the previous year's record. It is expected that *turnover for the year ended* December 31, 1978, will have amounted to approximately £1.25m—double that of the previous year.

Orders from the UK and overseas markets indicate that this rate of growth will be surpassed in the current year.

MINING NEWS

Queensland Mines may need rights issue

BY KENNETH MARSTON, MINING EDITOR

DELAYS in receiving Australian Government approval to mine the Nabarlek uranium deposit in the Northern Territory has forced **Queensland Mines** to consider raising funds from shareholders, reports James Forth from Sydney.

The directors have called an extra-ordinary meeting for February 21 to increase the authorised capital which would clear the way for a rights issue. However, the Board says that it has no intention of making an issue "unless it is absolutely necessary."

The directors considered it prudent to call the meeting because of present Government *delays in approving the company's* agreement with the Northern Land Council and the possibility of further delays.

The agreement with the Council, which acts on behalf of Aboriginal land owners, took place on December 8 and Queensland Mines and the Council immediately sought the approval of the Minister for Aboriginal Affairs but this has not been given.

The company is prohibited from signing the agreement until it is approved by the Minister. Moreover, the mining lease over the Nabarlek deposit cannot be issued until this agreement is signed. The directors say that the company cannot conclude borrowing arrangements for the financing of the project until the lease is issued.

The only other agreement reached with the Northern Land Council is for the Ranger project of **Peko-Wallsend** and **EZ Industries.** Approval has been given for this venture and an authority to mine has been issued.

WESTINGHOUSE'S LITIGATION: ORDER EXTENDED

U.S. Federal Judge Prentice Marshall has extended indefinitely a restraining order granted to **Westinghouse Electric Corporation** to prevent nine uranium producers from transferring assets out of the U.S. without giving Westinghouse and the Court 20 days' notice.

The nine companies were among 12 foreign and 17 domestic uranium producers cited in a civil suit by Westinghouse charging that they violated U.S. anti-trust laws by allegedly conspiring to fix the price and supply of uranium.

The *nine companies* were **Conzinc Riotinto of Australia, Mary Kathleen Uranium, Pancontinental Mining and Queensland Mines, Anglo American Corporation, Nuclear Fuels Corporation, Rio Tinto-Zinc, RTZ Services and Rio Algom.**

Westinghouse lawyers said the company would start looking at what assets the nine companies have in the U.S. with a view to claiming damages. Only RTZ has any significant interests in the U.S.

Hamersley's profit falls

HIT BY the world steel industry recession and the inevitable industrial stoppages in Western Australia, the **Rio Tinto-Zinc** group's **Hamersley** iron ore complex reports 1978 net earnings of A$34.8m (£19.8m) compared with A$57.8m in 1977. A final dividend of 5 cents (2.8p) makes a total for the year of 9 cents against 16 cents in 1977.

Earnings from operations dropped to A$17.16m from A$53.26m but the fall was cushioned by investment allowance and trading stock valuation tax benefits which amounted to A$17.65m against A$4.58m in the previous year.

An 8.5 per cent fall in the past year's net sales revenue to A$359.5m reflected not only the lower ore shipments but also a less favourable exchange rate for the Australian dollar against the U.S. dollar in which iron ore contracts are priced. Hamersley shares were 187p yesterday.

ROUND-UP

The South African and Rhodesian **Messina (Transvaal)** copper mining and industrial group hopes to resume dividends in November. Commander H. F. P. Grenfell, the chairman, said at yesterday's Johannesburg meeting that earnings in the current year to September 30 should exceed the 1977-78 depressed level of 19 cents per share, but a return to the dividend list will depend on the management's ability to substantially reduce debts in the remainder of the year. Messina shares improved 2p to 88p yesterday.

* * *

In a reference to South Africa's latest exchange rate changes **Sentrust** states that "as a result of the changed circumstances and uncertainty regarding the effect of new factors on stock exchange prices" the proposed rights issue is to be reconsidered. There will be a further announcement in due course after reconsideration by the directors of the proposed offer.

* * *

Vogelstruisbult Metal Holdings reports an advance in 1978 profits to R2.47m from R1.19m in 1977. A final dividend of 8 cents makes a total of 12 cents against 7.5 cents. **New Witwatersrand Gold Exploration** has lifted its net profit for the six months to December 31 to R1.66m from R956,000 a year ago. The interim is raised to 8 cents from 6 cents; the 1977-78 total was 16 cents.

BRIDGING FUNDS FOR SAAIPLAAS

Bridging finance for Free State Saaiplaas when the gold producer's funds run out is to be provided by the parent mining finance house **Anglo American Corporation.** Disclosing this at the former's Johannesburg meeting, the chairman, Mr. Dennis Etheredge, added that the question of more permanent finance will be resolved before the end of the financial year to September 30.

The first drawing on Anglo funds is expected in the first half of 1978, the timing depending on the gold price and deliveries of uranium. Meanwhile the final cost of the new No 3 shaft, which should reach its full rated capacity in the final months of 1981, is estimated at R123m.

MINING BRIEFS

ELECTROLYTIC ZINC — Production Statement

	Four weeks ended Jan. 10 1979	Dec. 13 1978
	(figs. in tonnes)	
Risdon		
Zinc	15,361	15,761
West Coast Mines		
Ore milled	51,765	46,634
Lead concentrate	1,281	1,335
Zinc concentrate	9,197	9,530
Copper concentrate	1,721	1,419

Cowan de Groot £1m half way

WITH PRE-TAX profits up from £352,168 to £1,069,576 in the six months to October 31, 1978, the Board of Cowan, de Groot is confident of another rewarding year.

After tax of £556,180 (£443,127), earnings per 10p share are shown to have risen from 3.46p to 4.03p. The net interim dividend is increased to 0.8p (0.72p). Last year's total payment was 2.308p on record pre-tax profits of £1.91m.

Turnover in the six-month period was well ahead at £19.2m against £15.65m. Retained earnings were £397,432 (£320,273).

The group continues to trade successfully, and sales are ahead of the same period last year in each of the four divisions. There is ample finance for expansion and suitable acquisitions in existing fields are being sought.

Mr. D. Cowan, chairman, says that Christmas toy sales appear to have been satisfactory across the group's range, auguring well for the new year.

Orders taken at the Harrogate Toy Fair earlier this month were a record.

The group has interests in the import and manufacture of toys and giftware, electrical wholesaling, and the import of machinery for manufacture of plastic products.

● **comment**

After last year's second half slowdown, Cowan de Groot has moved back onto the growth path with a first half profits rise of a quarter. Thanks to more buoyant trading conditions, all divisions contributed to the result, which is in line with market expectations. In particular the important electrical and hardwear wholesaling activities got a strong boost from the active Irish companies while the pickup in consumer spending helped the slightly smaller toy division to make a strong recovery. Christmas trading, especially on the toys side, was bright so this pattern should continue in the second half. Overall, profits of up to £2.25m should be possible for the year which puts the shares, at 71p on a prospective p/e of 8.5 while the yield is 5.4 per cent.

CALEDONIAN SUCCESS

The offer for sale of the whole *of the issued share capital of* Caledonian Holdings has been oversubscribed. Details, including the basis of allotment, will be announced today.

Dealings are due to start next Tuesday.

Watson & Philip £0.3m drop

WITH A fall from £0.67m to £0.45m in the second half, pre-tax profits of Watson and Philip at £0.88m for the year ended October 27, 1978, failed to match the previous year's record £1.18m as forewarned at midway. Turnover rose from £57.74m to £64.22m.

The directors say the year *proved to be a very difficult one* for the foodstuff distributing group and that a swift return to easier trading conditions is unlikely.

The group has embarked on a programme of rationalisation which will produce benefits in the current year.

There are still opportunities for further expansion and such projects are being actively pursued, the directors state.

The final outcome of the current year is not easy to assess, they say, particularly in view of the transport strike, which has already interrupted supplies.

Nevertheless, provided that the dispute is not protracted, and that fresh disruption can be avoided, they would hope to see at least some modest improvement.

After tax of £0.46m (£0.58m) stated earnings dropped from 7.2p to 5p per 10p share. A final dividend of 1.8619p net lifts the total payment from 2.43044p to 2.71398p.

Derby Trust advances

Revenue before tax of Derby Trust rose from £530,330 to £705,195 in the year to December 31, 1978.

The net final dividend is increased from 7.130p to 7.699p, making 14.789p (13.429p). Asset value per 50p capital share is up from 345p to 382.5p.

After tax of £268,504 (£187,513), available revenue is 27 per cent higher at £436,691 (£342,818).

Dartmouth Inv. suspended on possible merger talks

BY JOHN MOORE

Dartmouth Investments, the Birmingham - based heating engineer, has received an approach from an unnamed party which may lead to an offer for the company. On the Stock Exchange the group's shares have been suspended at the company's request—at 19½p. *The suspension price values* Dartmouth at £2.5m.

In the last financial year ending March 31, 1978, Dartmouth reported pre-tax profits of £505,000, compared with £255,643, on turnover of £8.18m.

Stated net assets of the group were 16.2p per share.

For the first half—ending September 30, 1978—in the group's current year taxable profits fell slightly, from £178,000 to £175,000.

The group reported in November that since September it had been affected seriously by a lengthy industrial dispute in one of its supplying companies.

However, the company said "in view of the disastrous state of the British motor industry," it had decided to sever its relationship with one of its major clients. The full cost of this break-up of the relationship, and reorganisation in the group "will be borne in the second half." The chairman, Mr. D. C. Hathaway, warned that shareholders should not expect too much from the year-end results.

Mr. Hathaway said yesterday that he hoped the suspension of the group's shares would be a short one.

Major shareholders in the group are Denholme Investments (Jersey) and the Royal Insurance Company, who hold 15.07 per cent and 7 per cent stakes respectively.

BCA PURCHASES CARAVAN SITE

British Car Auction is continuing to expand its caravan interests, with the purchase of a freehold caravan site at Penton Park, in Surrey.

BCA has agreed to pay £750,000 for the site—£500,000 in cash and the remainder by the issue of BCA shares.

SHARE STAKES

Assam Frontier Tea Holdings—Scottish Northern Investment Trust holds 70,000 shares (7.44 per cent.).

Guthrie Corporation—On Jan. 18 Equities Investment Fund for Charities bought 25,000 shares at 434p. Total shares held by funds managed or advised by M and G Investment Management was 3,226,487 shares (11.23 per cent).

Talbex Group—Apcob (nominees) has sold 700,000 shares and continue to hold 4,484,401 shares (18.09 per cent).

G. R. Dawes Holdings — Mr. H. A. L. Dawes, director, sold 50,000 ordinary shares at 15½p on January 17, and 25,000 at 15½p on January 22.

PLANTATION HLDGS.

Multi-Purpose Holdings Bhd now owns 64.44 per cent of **Plantation Holdings** after receiving acceptances for its offer from holders of 6,015,269 shares.

MPH had to make a general offer for Plantation Holdings after buying a total of 49.78 per cent of the company.

"Reactions to the offer must depend to a considerable extent on the personal circumstances of each individual" was the advice given to shareholders by Mr. S. W. Livesey, Plantation Holdings chairman.

Hume Hldgs steady at half time

TOTAL net pre-tax revenue of **Hume Holdings,** the investment trust, were virtually unchanged at £1,171,000, against £1,165,000 in the six months to December 31, 1978. Gross revenue was ahead from £1.32m to £1.4m.

But the directors are confident distributable revenue for the full year will fulfil the chairman's earlier forecast of an increase over last year's £1.49m. At the halfway stage attributable revenue rose from *£689,000* to £820,000.

Net revenue rose from £974,000 to £1.06m but the share of associated companies was down from £191,000 to £111,000 which resulted in static total net revenue.

The reduction in associated companies' revenue was the result of the sale of the company's interest in Scottish Life Hume Properties. The reinvestment of the proceeds is reflected in the increase in franked dividend revenue which rose from *£326,000 to £544,000.*

Fully diluted net asset value per 25p share is shown down from 99.5p to 96.8p.

The directors say that disposals of property investments and sites continued, and a further £1.15m worth have been sold, some subject to contract. These properties produced net pre-tax revenue of £81,000 a year.

A £577,000 surplus over cost will come from the disposals, of which £538,000 will be subject to CGT at 30 per cent. This has been deducted in arriving at the net asset value. The value of the remaining property investments is about £400,000.

The group decided in October last year to realise sufficient U.S. common stocks to provide for repayment under the loan agreements of the U.S.$4.5m term loans on the next anniversary date on January 31 this year. This move was made because of increased U.S. interest rates and the unclear economic prospects there.

There was a net revenue shortfall of dividends on the underlying securities compared with interest payable on the loans which was likely to increase to an unacceptable level if the loans were renewed. The early repayment will improve the estimated pre-tax revenue by about £60,000 in the current year.

The remaining overseas investments, all of which are eligible for the investment currency premium, amount to the equivalent of £1.6m in value. In addition there is about £530,000 from the proceeds of the liquidation of the Australian subsidiary Westlyn Investments, on deposit, awaiting investment in the U.S. or elsewhere.

The interim dividend—already announced—is raised from 1.485p net per A share to 1.675p. The total for last year was 4.58375p. Stated earnings per share are shown up from 3.45p to 4.04p.

The directors are proposing to change the name of the company to Hume Investment Trust Company. The proposal will be put at an extra-ordinary meeting following the annual meeting.

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NORTH AMERICAN NEWS

Exxon earnings 48% ahead

BY DAVID LASCELLES IN NEW YORK

EXXON, THE largest U.S. oil corporation, reported a sharp increase in earnings yesterday. Profits in the fourth quarter of 1978 rose 48 per cent to $850m or $1.91 per share from $573m or $1.28 in 1977. Sales went up 19 per cent to $18.1bn.

According to preliminary estimates, this brought Exxon's earnings from operations for the whole year to $3.5bn, a 12.2 per cent increase on the previous year.

Exxon attributed most of the sharp fourth quarter rise to foreign operations, particularly Europe, where results were favourably affected by reduced losses from exchange rates changes on net financial obligations and by improved earnings from operations. U.S. earnings were slightly lower in the quarter.

Standard Oil Of Ohio, now majority owned by British Petroleum, more than doubled its four quarter earnings, raising them from $70.2m or $74 cents a share in 1977 to $164.5m or $1.37 last year. A two for one stock split during the year explains the discrepancy in earnings per share. Revenue for the period was up 54 per cent to $1.54bn.

The figures brought Sohio's total 1978 earnings to $450.2m or $4, up 150 per cent on $181.1m or $2.19 in 1977.

Sohio's spectacular improvement was due almost entirely to the achievement of full production at its Alaskan North Slope operations.

Marathon Oil reported flat fourth quarter earnings of $56r or $1.85 against $57.1m or $1.89 the year before. Revenues were $1.27bn, up slightly from $1.3bn. For the whole of 1 Marathon earned $225.2m or $7.45 up 14 per cent on 1977's $197m or $6.54.

Mobil boosted yearly earnings by 12¼ per cent, from $999m or $9.44 a share to $1.12bn or $10.61 a share on sales 7¼ per cent up at $36.9m. Fourth quarter earnings were 9.3 per cent up from $301m to $332m, or from $2.85 to $3.13 a share.

Foreign exchange translation losses on an FAS 8 basis have $37m on the year higher at $70m, though foreign energy earnings increased by $144m.

Union Oil Company of California's net income for the year was $382.3m or $8.64 a share compared with $334.2m or $7.39 a share on sales up from $1.58bn to $1.78bn, after a rise from $81m or $1.79 a share to $123.7m or $2.81 a share in the fourth quarter.

Texas Eastern boosted net earnings by 10 per cent to $137.2m or $5.49 a share for 1978 from $123.5m or $5.01 a share, after a small gain in overall revenues from $2.02bn to $2.03bn.

Shell Canada year-end profits declined slightly to C$151.4m or C$1.51 per share from C$154.6m or C$1.54 a share for the previous year. Revenues rose to C$2.73bn from C$2.37bn. The company's fourth quarter results improved to C$48.9m or 49 cents from C$45.1 or 45 cents.

Slowdown at General Electric

By Our New York Correspondent

SIGNS OF a widely anticipated slowdown in the earnings growth of General Electric, the leading U.S. manufacturer of electrical equipment, are apparent in the company's fourth quarter results, released yesterday.

The company's fourth quarter earnings are 8 per cent higher at $364m or $1.59 a share, compared with $332.4m or $1.46 a share a year ago.

For the full year, the company's net income is 12 per cent higher at $1.23bn or $5.39 a share compared with $1.09bn or $4.79 a share a year ago. Sales rose by 12 per cent in the year to $19.65bn from $17.5bn.

Mr. Reginald Jones, the chairman, said that all but one of the company's segments showed increased sales and earnings, including consumer products and services, industrial products and components, power systems, technical systems and materials

McGraw-Hill in further law suit

BY STEWART FLEMING IN NEW YORK

McGRAW-HILL, the U.S. publishing company, has launched another lawsuit in its effort to fight off the $830m takeover bid from American Express by tying the financial conglomerate up in protracted legal manoeuvring.

It has also asked the Federal Communications Commission to hold hearings on the deal before allowing the transfer of control of McGraw-Hill's broadcasting companies.

The latest McGraw-Hill suit rejects charges filed by American Express that McGraw-Hill libelled it in documents rejecting the takeover bid.

It also alleges that a merger between the two companies would violate Federal Anti-Trust Laws, Securities Laws, Banking Laws and would also restrain trade.

The suit argues, for example, that a merger would give McGraw-Hill a substantial and decisive advantage over its publishing rivals, by giving it access to American Express's mailing lists for its 9m credit card holders.

Wall Street is still anticipating a protracted battle, with one analyst putting American Express's chances of success at less than 50-50 in spite of the fact that takeover bidders generally have won control of their targets provided they have been persistent enough.

EUROBONDS

FFr 200m issue for Norway

By Francis Ghilès

NORWAY will float a FFr200m five-year bullet with an indicated coupon of 9½ per cent and a price of par through Societe Generale. During the past three weeks, the French franc sector of the eurobond market has performed strongly, in part thanks to the fall in French interest rates. Older issues, floated four years ago, have risen more sharply than those floated since this sector of the market reopened last September.

In the Swiss franc sector, prices moved up by between ½ and ¾ of a point across the board following the measures announced on Wednesday by the Central Bank. The SwFr 100m issue floated for the Council of Europe in December, for example, ended the day at 103, up half a point on the day.

The strong performance of the dollar on the foreign exchange markets and the fall of the six month LIBOR rate coming on top of the strength of the New York bond market, resulted in a considerable rise for dollar denominated bonds yesterday. Prices moved up by about ¾ across the board

Merrill Lynch has launched a $15m issue of floating rate certificates of deposit for Tokai Bank. This is a standard three-year issue with a coupon rate set at ¼ per cent above LIBOR. This represents the first such issue for the sixth largest bank in Japan.

The $100m issue of bonds with warrants for Bayer was priced as indicated, at par, by the lead manager Deutsche Bank, with other terms unchanged.

Prices in the Deutsche-Mark sector steadied yesterday afternoon, having fallen further during the morning. The volume of trading was very thin.

The A$15m issue for Citicorp being arranged by Credit Suisse First Boston has been priced at 99½ to yield 11.14 per cent. The borrower is paying a coupon of 11 per cent for a five-year maturity. The investor has the option to extend this to ten years.

Peak sales at Bell Canada

By Robert Gibbens in Montreal

TWO TELEPHONE rate increases, strong demand for services, revenues from its joint Saudi Arabia telecommunications project and good directory sales brought peak volume and earnings in 1978 for Bell Canada, the country's largest telecommunication utility.

In the fourth quarter, operating net income was C$116.4m or C$2.34 a share, against C$79.6m or C$1.64 a year earlier, excluding special items. Sales were C$1.3bn against C$918m.

Operating earnings for the full year were C$370.0m or C$7.46 a share against C$286.2m or C$5.98 on revenues of C$4.3bn against C$3.5bn.

Rate of return on average common equity was a record 11.09 per cent, though Bell has argued that a 12 per cent return is needed to maintain health and finance expansion.

Ashland property sales begin

BY OUR NEW YORK STAFF

ASHLAND OIL yesterday announced the first sale in its new programme to divest itself of many of its properties and concentrate on refining and marketing, and on coal.

It will sell the north eastern region of its Ashland-Warren Construction subsidiary for about $50m to a buyer described as "an international company with existing interests in the construction industry." Its name will be released when definitive agreement on the sale is reached, Ashland said.

The region represents about 13 per cent of Ashland-Warren's $750m a year sales, and Ashland said that it would not sell the remainder because bids had been insufficient. It also believed that construction in the sunbelt states, where the company is strong, had good prospects.

At its annual meeting in Ashland, Kentucky, the company said it had identified 100 companies interested in buying its properties, ranging from large and small oil companies to manufacturing enterprises. Twenty-six of them had paid $25,000 for information about these assets.

Total bids received so far were $750m, which would yield $570m after tax.

As for foreign oil assets, Ashland said that discussions were going ahead on the sale of its 3.3 per cent interest in the Thistle field in the North Sea, and on its possessions in Nigeria, but agreement on a sale price had not yet been reached.

Sharp increase from Mead

By Our Financial Staff

MEAD CORPORATION, the U.S. forest products company which was involved in a rancorous bid tussle with Occidental Petroleum last year before the latter withdrew its unwanted $1bn offer, has turned in a solid gain in earnings for 1978.

Net income moved up by 23 per cent to $120.9m or $5.12 per share on the back of a 27 per cent sales increase to $2.32bn. During the fourth quarter, which was marked by an intensification of the legal and corporate wrangling over the bid, Mead pushed up its earnings by a more spectacular 49 per cent to $33.2m—equivalent to $1.34 a share—with sales showing a 24 per cent improvement to $604m.

Grace wins over Daylin

BY JOHN WYLES IN NEW YORK

W. R. GRACE'S bid for control of Daylin Incorporated, which had threatened to develop into a fierce battle, has turned out to be little more than a minor skirmish after agreement between the two copanies on a revised merger proposal.

As part of the agreement, West Coast-based Daylin is dismantling its defence based on court suits and a $68.4m bid for Narco Scientific, a Pennsylvania hospital instruments company. Daylin's management has agreed to recommend shareholders to accept an offer of 8.3 per cent higher than Grace's original bid of $3.75 per share. The new proposal is for $4.0625 per share or close to a total of $140m.

Grace, 29 per cent owned by West Germany's Friedrich Flick group, emerged the victor—just two days after filing an application for an injunction to block Daylin's offer for Narco Scientific. It would not be surprising if the prospect of a long and costly court battle, allied to some shareholder discontent over its resistance to Grace and the higher bid, had conspired to persuade Daylin to throw in the towel.

Mr. Sandford Sigoloff, Daylin's chief executive, will retain his position reporting to Mr. Peter Grace, chairman of W. R. Grace. The agreement, subject to the approval of both boards, looks likely to terminate a saga which began a year ago when merger talks were broken off between the two companies.

Singer income dips 19 per cent.

BY OUR NEW YORK CORRESPONDENT

A SETBACK in the fourth quarter has hit earnings at Singer, the U.S. sewing machine manufacturer which last week announced that it intended to go ahead with an £8m re-investment programme at its Clydebank plant in Scotland.

Singer said its earnings for 1978 were down 19 per cent at $60.3m, compared with $74.5m in 1977. Sales revenues rose 8 per cent for the year to $2.5bn.

The earnings figures exclude extraordinary tax credits of $2.5m in 1978 and $16.4m in 1977. If these items are included, net income is down 33 per cent on the year at $62.8m, compared with $94.2m. Earnings per share on this basis were $3.33 in 1978 against $5.11 in 1977.

The fourth-quarter results were also hit by a $6.5m charge, after tax, established to cover certain costs and expenses associated with the implementation of the company's plans to restructure the Clydebank plant.

Westinghouse order extended

FEDERAL JUDGE Prentice Marshall extended indefinitely a restraining order granted to Westinghouse Electric Corporation to prevent nine uranium producers from transferring assets out of the U.S. without giving Westinghouse and the court 20 days' notice, Reuter reports from Chicago.

The nine companies were among 12 foreign and 17 domestic uranium producers cited in a civil suit by Westinghouse charging they violated U.S. anti-trust laws by allegedly conspiring to fix the price and supply of uranium.

The nine companies were Conzinc-Rio Tinto, Mary Kathleen Uranium, Pancontinental Mining and Queensland Mines, Anglo-American Corporation, Nuclear Fuels, Rio Tinto-Zinc, RTZ Services and Rio Algam.

AMERICAN QUARTERLIES

ABBOTT LABORATORIES	1978 $	1977 $
Fourth quarter		
Revenue	386.1m	347.0m
Net profits	45.01m	36.38m
Net per share	0.75	0.62
Year		
Revenue	1.44bn	1.24bn
Net profits	148.63m	117.84m
Net per share	2.48	1.98

AMERICAN STORES	1978 $	1977 $
Third quarter		
Revenue	1.08bn	985.9m
Net profits	7.56m	6.82m
Net per share	1.42	1.29
Nine months		
Revenue	3.07bn	2.78bn
Net profits	24.31m	16.94m
Net per share	4.57	3.21

BOISE CASCADE	1978 $	1977 $
Fourth quarter		
Revenue	628.1m	597.9m
Net profits	33.73m	27.94m
Net per share	1.25	1.03
Year		
Revenue	2.57bn	2.32bn
Net profits	125.7m	115.6m
Net per share	5.02	4.00

CAROLINA POWER AND LIGHT	1978 $	1977 $
Fourth quarter		
Revenue	200.5m	213.5m
Net profits	28.75m	30.31m
Net per share	0.55	0.65
Year		
Revenue	903.4m	808.3m
Net profits	142.74m	121.04m
Net per share	3.10	2.81

CARPENTER TECHNOLOGY	1978 $	1977 $
Second quarter		
Revenue	104.72m	91.26m
Net profits	8.19m	8.42m
Net per share	1.08	0.99
Six months		
Revenue	200.7m	172m
Net profits	15.01m	14.04m
Net per share	1.78	1.65

CELANESE	1978 $	1977 $
Fourth quarter		
Revenue	687m	578m
Net profits	33m	16m
Net per share	2.27	1.04
Year		
Revenue	2.6bn	[illegible]
Net profits	112m	78m
Net per share	7.36	5.11

COOPER INDUSTRIES	1978 $	1977 $
Fourth quarter		
Revenue	187.9m	182.2m
Net profits	16.12m	14.55m
Net per share	1.41	1.36
Year		
Revenue	782m	678.8m
Net profits	62.19m	53.79m
Net per share	5.89	4.68

DELTA AIRLINES	1978 $	1977 $
Second quarter		
Revenue	574.2m	509.6m
Net profits	34.1m	33.5m
Net per share	1.71	1.68
Six months		
Revenue	1.14bn	973.7m
Net profits	66.8m	60.6m
Net per share	3.36	3.05

DIGITAL EQUIPMENT	1978 $	1977 $
Second quarter		
Revenue	426.0m	346.6m
Net profits	37.92m	32.53m
Net per share	0.88	0.77
Six months		
Revenue	813.9m	649.2m
Net profits	70.07m	58.88m
Net per share	1.63	1.43

DOW JONES	1978 $	1977 $
Fourth quarter		
Revenue	102.6m	84.0m
Net profits	12.6m	10.3m
Net per share	0.81	0.66
Year		
Revenue	363.6m	317.3m
Net profits	44.2m	38.0m
Net per share	2.86	2.48

DRAVO CORPORATION	1978 $	1977 $
Fourth quarter		
Revenue	327.35m	328.87m
Net profits	8.93m	7.84m
Net per share	1.82	1.46
Year		
Revenue	845.42m	852.17m
Net profits	18.77m	13.38m
Net per share	3.30	3.20

EATON CORPORATION	1978 $	1977 $
Fourth quarter		
Revenue	842.0m	645.5m
Net profits	31.03m	26.33m
Net per share	1.78	1.5'
Year		
Revenue	2.79bn	2.1
Net profits	131.27m	108.29m
Net per share	7.53	6.10

HUGHES TOOL	1978 $	1977 $
Fourth quarter		
Revenue	182.9m	134.4m
Net profits	20.9m	10.6m
Net per share	1.48	0.78
Year		
Revenue	659.4m	491.9m
Net profits	69.66m	45.92m
Net per share	4.88	3.22

INGERSOLL-RAND	1978 $	1977 $
Fourth quarter		
Revenue	642.6m	568.6m
Net profits	37.26m	33.06m
Net per share	1.79	1.69
Year		
Revenue	2.33bn	2.11bn
Net profits	133.12m	117.67m
Net per share	6.41	5.66

KOPPERS	1978 $	1977 $
Fourth quarter		
Revenue	447.8m	382.5m
Net profits	26.50m	20.66m
Net per share	1.05	0.82
Year		
Revenue	1.58bn	1.38bn
Net profits	76.01m	66.41m
Net per share	3.01	2.64

NATIONAL DISTILLERS & CHEMICAL	1978 $	1977 $
Fourth quarter		
Revenue	526.1m	432.5m
Net profits	27.74m	23.19m
Net per share	0.97	0.89
Year		
Revenue	1.86bn	*
Net profits	93.11m	84.99m
Net per share	3.32	3.27

RELIANCE GROUP	1978 $	1977 $
Fourth quarter		
Revenue	329.0m	300.2m
Net profits	32.99m	17.05m
Net per share	3.30	1.97
Year		
Revenue	1.24bn	1.12bn
Net profits	102.82m	82.29m
Net per share	9.66	9.78

ST. LOUIS-SAN FRAN. RLY.	1978 $	1977 $
Fourth quarter		
Revenue	100.7m	91.1m
Net profits	6.54m	5.12m
Net per share	2.46	1.95
Year		
Revenue	395.5m	356.8m
Net profits	20.62m	16.71m
Net per share	7.84	6.38

ST. REGIS PAPER	1978 $	1977 $
Fourth quarter		
Revenue	604.0m	517.7m
Net profits	34.8m	28.4m
Net per share	1.08	0.89
Year		
Revenue	2.34bn	2.02bn
Net profits	126.5m	106.8m
Net per share	3.94	3.38

VIRGINIA ELEC. & POWER	1978 $	1977 $
Fourth quarter		
Revenue	339m	326m
Net profits	45.75m	45.45m
Net per share	0.39	0.43
Year		
Revenue	1.55bn	1.4bn
Net profits	204.3m	189.8m
Net per share	1.88	1.92

WHEELING PITTSBURGH STEEL	1978 $	1977 $
Fourth quarter		
Revenue	295.3m	239.2m
Net profits	14.93m	†4.95m
Net per share	3.76	†1.53
Year		
Revenue	1.15bn	986.0m
Net profits	19.02m	†25.63m
Net per share	4.33	†7.70

† Loss.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 25

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Age Akt. 9¾ 88	25	94½	95½	+0½	+0⅝	10.10
Australia 8.45 83	175	96¼	96⅞	+0⅞	+1	9.63
Australia 9¼ 83	75	97⅞	98	+0¼	+0¼	9.63
Beatrice Foods 7⅞ 83	100	95¼	95¾	+0⅞	+2¼	9.05
CECA 8¾ 87	50	94⅛	94⅝	+0⅛	+0⅛	9.74
CECA 9¼ 84-99	50	96¾	97¼	+0⅛	+0¼	9.70
CNT 9 93	75	95	95½	+0½	+0⅞	9.61
Canada 9 83	400	98⅛	98⅝	+0⅞	+0⅞	9.61
Canada 9¼ 98	350	98⅛	98⅝	+0¼	+0⅛	9.64
Canadair 8½ 83	70	95¼	95¾	+0⅛	+1⅛	9.82
Dominion Bridge 9 85	25	95½	96	+0½	+0⅛	9.82
EIB 9¼ 98	125	95½	96¼	+0⅛	+0⅛	9.82
Export Dv. Cpn. 9.85 84	150	101⅛	101⅞	+0½	+0⅞	9.65
Eksportfinans 9 88	50	95¾	96¼	+0⅛	+0⅞	9.77
Finland 8¾ 83	100	96¾	97⅛	+0⅛	+0⅛	9.53
Finland 9 88	100	95⅝	96⅛	+0⅛	+0⅛	9.90
Hospital O/S 9 83	25	97⅞	98⅛	+0¼	+1	9.56
Ital Finance 9¼ 90	30	94⅝	95⅛	+1⅛	+1⅛	10.52
J. C. Penney 8⅜ 83	100	97⅛	97⅝	+1⅛	+2¼	9.17
NZ Dev. Fin. 8½ 83	20	94⅞	95⅞	+0¼	+1⅛	9.52
NZ Dev. Fin. 8⅞ 85	20	94¼	94⅞	+0⅛	+0⅞	9.52
Nat. West. 9 86	75	97⅝	98⅛	+0½	+0⅞	9.39
Newfoundland 9¼ 90	50	97½	97⅞	+0⅛	+1	9.63
Nord Inv. Bk. 8¾ 88	25	95⅜	95⅞	+0⅛	+0½	9.42
Norges Komm. 9⅛ 98	75	95⅝	95⅞	+0⅛	+0¼	9.81
Norsk Hydro 9⅛ 94	50	96⅝	96⅞	+0⅛	+0¼	9.88
Norway 7⅞ 83	250	93½	94	+0¼	+1⅛	9.71
Norway 8¼ 83	150	97⅛	97⅝	+0⅛	+0⅞	9.67
Norway 9¾ 84	150	100½	101	+0⅛	+0⅞	9.78
Occidental 8⅞ 85	75	93¼	93¾	+0½	+1	10.30
Ont. Hydro 8½ 85	125	94¾	95¼	+0⅛	+1⅛	9.57
Quebec Hydro 9⅝ 93	50	98⅜	98⅞	+0⅛	+1¼	9.70
Sweden 9⅛ 98	125	96⅞	97⅜	+0¼	+0½	9.81
UK 8½ 85	200	95¼	95¾	+0¼	+0½	9.69
UK 8⅞ 93	150	95¾	96¼	+0⅛	+0⅞	9.61

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 6½ 88	150	95⅛	95⅞	0	−0½	7.13
Australia 6 88	250	99¾	100¼	0	−0¼	5.99
Austria 5¾ 90	150	93	93½	−0⅛	−1⅛	6.59
Bankamerica 5¾ 90	150	98½	99	+0⅛	−0⅛	5.90
Bq. Ext. Algerie 7⅛ 85	100	95½	97	−0⅛	−0⅛	7.85
Brazil 7¼ 87	150	100¾	100⅝	0	−0⅛	7.18
CECA 6 88	150	96¼	96¾	−0⅛	−0⅛	6.49
Canada 4¾ 83	600	98	98½	0	0	5.21
Ch. Manhttn. O/S 6 93	100	100⅛	100⅝	0	−0⅛	5.98
Commerzbank WW 3½	100	100⅝	101⅛	−2¼	−3⅛	3.39
Commerzbank XW 3½	100	82	82½	−0⅛	−0⅛	6.00
Copenhagen City 6 90	75	93⅛	93⅞	−0⅛	−0⅛	6.80
Council of Europe 6⅛	100	97½	97⅞	−0⅛	−0⅛	6.47
Council of Europe 6¼	120	97⅞	98⅜	−0⅛	−0½	[illegible]
EIB 6 90	300	95⅛	95⅝	0	−0⅛	6.57
EIB 6½ 91	200	96⅜	96⅞	+0⅛	+0⅛	6.92
Finland 6 83	150	99	99½	+0⅛	−0⅛	6.18
Hitachi Ship. 5¾ 83	50	100	100½	+0⅛	−0⅛	5.69
IBJ 5 84	100	97⅝	98⅛	0	−0½	5.50
Indonesia 7 84	100	97⅛	97⅝	+0⅛	0	7.57
Kobe, City of 5¾ 86	100	101	101½	−0⅛	−0⅛	5.53
Norges Komm. 6¼ 89	100	97	97½	+0⅛	+0⅛	6.64
Mitsubishi Petro. 5¾ 85	100	100⅛	100⅝	−0½	−0⅛	5.67
New Zealand 6⅛ 87	200	99⅛	99⅝	0	0	6.35
Nippon Steel 5¾ 85	100	99⅞	100⅜	−0⅞	−0⅛	5.72
Nordic Inv. Bk. 6¾ 86	60	97⅞	98⅜	+0⅛	−0⅛	6.59
Norges Komm. 6 90	100	96⅞	97⅛	−0⅛	−0⅛	6.37
Norwegn. Ind. Bk. 6 90	125	96¾	97¼	+0½	+0⅛	6.38
Occidental 6¾ 90	150	96⅛	96⅞	−0⅛	−1	7.18
OKB 5½ 88	100	100⅝	101⅛	0	−0⅛	5.38
Petroleo Brazil 7 88	100	98½	99	−0⅛	−0½	7.18
PK Bankon 5¾ 38	100	92¼	93⅛	0	−0⅛	6.77
Quebec, Prov. of 6 90	150	93⅞	94⅜	−0⅛	−0⅛	6.76
Ricoh 5½ 83	30	98½	99	−0⅛	−0⅞	5.66
Statoil 6 88	150	97¼	97¾	−0⅛	−0⅛	6.37
UDS Group 6¾ 83	65	97¼	97¾	+0⅛	−0⅛	6.42
Union Bank-Finn 6½ 88	50	95½	96	+0⅛	−1	7.11
Venezuela 6½ 90	150	93	93½	0	−1⅛	7.37
World Bank 6⅝ 88	400	97⅛	97⅝	+0⅛	−0⅛	6.62

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	105⅛	106⅛	+0⅞	+0⅞	4.52
Amer. Exp. Int. 3½ 93	40	101⅛	101⅞	+0¼	+1⅛	3.35
Arlberg Tunnel 4 93	40	102¼	102½	+0⅞	+0⅛	3.78
Austria 3½ 93	100	99⅛	99½	+1⅛	+1¼	3.56
Brazil 4¼	100	99⅞	99⅝	+0¼	+1⅛	4.34
Chase Manhattan 4 93	70	104⅛	104⅞	−0⅛	0	3.58
Council of Europe 4⅛	100	102⅞	103¼	+0⅛	+0⅛	3.83
Bankamerica 3⅝ 93	80	102⅛	102⅞	+0½	+0⅛	3.51
BNDE 5 88	75	102⅝	102⅞	+0⅛	+0⅞	4.64
Denmark 4½ 90	100	104⅛	104⅝	−0⅛	+0⅛	4.01
Denmark-Mortgage Bk.	80	104⅞	104⅝	+0⅛	+0½	4.02
EIB 4¼ 93	100	102¾	103	+0⅛	+0⅛	3.98
Euratom 4⅞ 93	80	102¼	102½	+0⅛	+0½	4.03
F. L. Smidth 4½ 89	25	103¼	103⅝	+0⅛	+0½	4.08
Finland 4½ 93	80	103¼	104	+0½	+0⅛	4.14
First Chicago 3½ 93	70	*129	99¾	−0⅛	+0⅛	3.58
GZB 4½ 93	100	104½	104⅝	0	+0⅛	4.08
Hilti-Liechenstein 4¼	25	104⅞	105⅛	+0⅛	+0⅛	3.78
ICI Fin. NV 4¼ 93	100	105⅛	105⅝	+0⅛	+1⅛	3.75
Malaysia 4⅝ 90	80	100½	100⅝	+0⅛	+0⅛	4.68
Manitoba 4 93	100	103½	103⅞	+0⅛	+0⅛	3.70
Nawag 4 93	70	103	103⅝	+0⅞	+1⅛	3.71
Norges Komm. 4¼ 90	100	104⅛	104⅝	+0½	+0⅛	3.78
Norwegian Mt. As. 4 94	40	—	—	—	—	—
OKB 4 93	80	101⅛	101⅞	+0⅛	+0⅛	3.84
Oy Nokia 5 90	20	104	104¾	+0⅞	−0⅛	4.53
Safe 4⅛ 93	30	103¼	103½	+0⅛	+0⅛	3.93
Sandvik 4 90	35	103⅞	103⅞	+0⅛	+1	3.66
Seas 4½ 88	15	104⅝	104⅞	+0½	+0⅛	3.93
Voest-Alpine 4½ 93	100	105⅜	105⅞	+1⅛	+2	4.00
Vorarlberg Kraft 4 93	30	103	103½	+1	+1⅛	3.70
Vienna 4 93	100	101⅞	102⅛	+0⅛	+0⅛	3.82
World Bank 4¼ 93	250	103⅛	103⅝	+0⅛	+1⅛	3.91

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5⅛ 88	15	95⅜	96½	−0⅛	−0⅛	6.29
Australia 5.6 83	30	100⅝	101⅛	0	−0⅛	5.46
Australia 6½ 88	20	98¼	99	0	−0⅛	6.80
BFCE 6.4 90	30	95	95¾	0	−0⅛	7.12
Eurofima 6.3 90	10	95⅞	96⅜	−0⅞	−0⅛	6.89
Finland 5.6 83	10	98¾	99½	0	−0½	5.99
Finland 6.8 88	10	97⅜	98⅛	0	−0⅛	7.21
Norway 5.7 83	25	100½	101⅛	−0⅛	−0⅛	5.54
Sweden 6.3 90	40	94¾	95½	0	0	7.05

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ A$	12	95⅛	96⅛	−0⅛	0	12.76
Auto Cote B. 7 93 EUA	18	93½	94½	−0⅛	−0⅛	7.69
Copenhagen 7 93 EUA	30	93⅞	94⅜	−0⅛	−0⅛	7.72
Komm. Inst. 7½ 93 EUA	15	97⅞	98⅜	+0⅛	0	7.74
Panama 8½ 93 EUA	20	98⅛	98⅝	0	−0⅛	8.73
SDR France 7 93 EUA	22	94⅞	95⅜	−0⅛	−1⅛	7.63
Algemene Bk. 6¾ 83 Fl	75	94⅛	95⅛	0	−0½	7.68
Brazil 7½ 83 Fl	75	94⅞	95⅜	−0⅛	+0⅛	8.82
CFE Mexico 7¼ 83 Fl	75	97⅛	97⅝	−0⅛	−0⅛	8.42
EIB 7⅛ 85 Fl	75	95	96⅛	0	+1	7.96
Neder. Midd. 6½ 83 Fl	75	94½	94⅞	0	+0⅛	8.03
New Zealand 6⅛ 84 Fl	75	95	95½	−0⅛	+0⅛	7.84
Norway 6½ 83 Fl	100	94½	94⅞	0	−0⅛	8.08
OKB 6⅛ 85 Fl	75	91⅛	92	−0⅛	−0⅛	8.24
Elf Aquitaine 9¾ 88 FFr	150	99⅝	100⅛	+0⅛	+0⅛	9.76
EIB 9¾ 88 FFr	200	100	100½	0	+0⅛	9.69
Unilever 10 85 FFr	100	101⅞	102⅜	+0⅛	+0⅛	9.57
BAT 8 88 LuxFr	250	97	97¾	0	+0⅛	8.40
Bayer Lux. 8 88 LuxFr	250	96⅛	97¼	−0⅛	+0⅛	8.49
EIB 7⅛ 88 LuxFr	250	96	97	+0⅛	−0⅛	8.29
Finland I. E. 8 88 LuxFr	250	96⅞	97⅛	0	+0⅞	8.42
Norway 7⅛ 83 LuxFr	250	97	98	+0⅛	0	8.42
Norges Km. 8 86 LuxFr	500	99	100	0	0	8.08
Renault 7¾ 88 LuxFr	500	97⅛	98⅛	0	+0⅛	8.11
Solvay Fin. 8 85 LuxFr	500	100⅝	101⅛	+0⅛	0	7.90
Swedish Bk. 8 88 LuxFr	500	99¼	100	0	+0⅛	8.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
American Express 82	0¼	99½	100	20/4	10⅛	[illegible]
Arab Ind. Bk. M6.5 83	0¼	96	96½	31/1	9⅛	9.74
BFG Fin. Co. M5.5 89	0¼	98¼	98⅝	12/7	12.4	12.59
Bco. El Salvador M8 83	1⅛	97⅛	98⅛	12/4	11.31	11.54
Bco. Nac. Argnt. M8 83	0¼	98⅞	99⅛	21/7	12⅛	12.39
Bank Handlowy M8 88	1⅛	97⅛	97⅝	25/11	12.94	13.27
Bank of Tokyo M5½ 93	0¼	96⅞	97⅛	18/4	10⅛	10.81
Banque Worms M5½ 85	0¼	98⅛	98⅝	15/6	12	12.20
Bq. E. d'Alg. M6.375 84	0¼	96½	97¼	9/2	9⅛	[illegible]
Bq. E. d'Alg. M7.5 85	0⅞	95⅛	95⅞	2/5	12⅛	[illegible]
Bq. Indo et Suez M5½	0¼	*98¾	99¼	25/7	12	12.12
Bq. I. Afr. Occ. M6.5 83	0¼	97⅛	97⅝	12/7	12.4	12.70
CCCE M5.25 98	0¼	97⅛	98	3/2	9.19	9.40
Ch. Man. O/S M5½ 93	0¼	97⅞	98⅛	27/1	9.31	[illegible]
Credit National M5½ 88	0¼	*97⅛	98⅛	11/7	12.31	12.56
Gotabanken M6 88	0¼	97⅛	98⅛	15/5	12.31	12.55
Ind. Bk. Japan M5½ 85	0¼	99¼	99¾	1/6	12.35	12.41
Ljubljanska M7.75 86	1	96⅛	97⅛	18/7	12.94	13.34
LTCB Japan M5¼ 85	0¼	98⅞	99⅛	9/5	12.06	12.18
Midland Intl. M5½ 93	0¼	98	98½	20/7	12⅛	12.42
Nat. West. M5½ 90	0¼	98⅞	99	21/6	12⅞	12.66
Nipp. Crdt. Bk. M5.5 85	0¼	99½	100	22/6	12.81	12.85
OKB M5½ 88	0¼	100⅛	100⅝	18/4	10.56	10.51
Offshore Mining 86	0¼	98⅛	98⅝	19/7	12.19	12.31
Petro. Mexicano 7¼ 84	0¼	98⅛	98	24/7	12.06	12.22
Privredna Banka M8 86	0⅞	95⅛	96⅛	22/5	13.44	13.96
Standard Chrt. M5.5 90	0¼	97⅛	97⅛	10/2	8.94	9.16
Sundsvallsbnkn. M6 85	0¼	97⅛	97⅞	4/4	10.06	[illegible]
Utd. Overs's Bk. M6 93	0¼	98⅞	99⅛	4/5	12.37	12.44

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	[illegible]	108⅛	109⅛	−0⅛	10.72
Baker Int. Fin. 5½ 93	1/79	34	100⅞	105	+0⅛	10.77
Boots 6¾ 93	2/79	2.16	88⅛	89⅛	−0⅛	−1.89
Coca-Cola Bottling 6¾	4/79	9	91⅛	92⅞	0	25.23
Ito-Yokado 5¾ 93	6/78	1473	132⅛	132⅞	−0⅛	1.58
Novo Industri 7 89	4/79	269	89⅛	90⅞	−0⅛	5.11
Texas Int. Air. 7½ 93	4/79	14.5	89⅛	90	+0⅛	16.44
Thorn Int. Fin. 7 88	11/78	3.67	99⅛	99⅞	−0⅛	−1.40
Tyco Int. Fin 8½ 88	9/78	21	100	101⅛	+0⅛	14.22
Tyco Int. Fin. 5 84	5/78	61.5	76	77½	+0⅛	155.14
Asahi Optical 3½ DM	12/78	588	93⅛	94⅛	−0⅛	1.65
Casio Cp. 3½ 85 DM	11/78	841	102⅛	103⅛	+0⅛	10.06
Izumiya 3½ 86 DM	10/78	989	96	97	0	2.44
Jusco 3½ 86 DM	1/79	1270	94	95	+0⅛	13.61
Konishiroku 3½ 85 DM	1/79	612	95	96	+0⅛	8.02
Marudai Food 3½ DM	2/79	1033	100	101	−0⅛	14.88
Murata M. 3½ 86 DM	11/78	[illegible]	105⅞	107⅛	−0⅛	−3.43
Nipp. Air. 3.5 88 DM	12/78	508	90⅞	91⅞	+1⅛	6.21
Nippon Shinpan 3½ DM	8/78	738	110½	111½	−0⅛	3.37
Nippon Yen. 3½ 85 DM	1/79	251	95⅛	96⅛	+0⅛	5.36
Nissan Diesl. 3½ 86 DM	2/79	477	94⅛	95⅛	+0½	8.90
Olymp. Opt. 3½ 85 DM	2/79	703	103⅛	104⅛	+0⅛	−1.41
Ricoh 3½ 86 DM	10/78	617	102½	103½	+0⅛	18.48
Sanyo Electric 3½ DM	11/78	295	95	96	−0⅛	−3.11
Seiyu Strs. 3¾ 86 DM	9/78	[illegible]	110⅛	111⅛	−0½	−3.92
Sharp Cpn. 3½ 88 DM	2/79	487	97⅞	98⅞	−0½	−3.42
Stanley Elec. 3½ DM	11/78	623	93½	94⅛	+1½	13.10
Tokyo Elec. 3½ 87 DM	4/79	476	97⅛	98⅛	−0⅛	−0.27
Trio-Knwd. 3½ 86 DM	11/78	711	90⅛	91⅛	−0⅛	23.65

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL COMPANIES and FINANCE

Sims in talks on takeover offer

By James Forth in Sydney

THE MAJOR diversified industrial group, Sims Consolidated is holding talks which may result in an offer being made for the company's issued capital. The directors have advised shareholders not to sell, pending a further announcement.

The price of Sims's shares moved up in Sydney after the announcement to close at A$1.20 compared with A$1.15 overnight. At the higher level the group is capitalised at A$56m, making it one of the largest Australian takeover targets.

Sims has been the subject of takeover speculation several times recently. The mining and industrial group, Peko-Wallsend has been favoured as the likely bidder and is known to have steadily bought shares in recent months.

Mr. John Broinowski, the chairman and chief executive of Sims, is also on the board of Peko while Mr. J. P. Diamond, another Sims director, formerly held a seat on the Peko board.

Sims's main activity is in the scrap metal business, but it has diversified in recent years through takeover, and has interests in agricultural machinery manufacture and women's foundation garments.

The depressed condition of the world steel industry has hit Sims in recent years. In 1975 profits reached a record A$10.7m (U.S.$12.2m). In 1978 a loss of A$1.1m was incurred. Since then scrap metal prices have risen strongly and the group should stage a recovery in the current year.

Mr. D. S. Steward, the chief executive of Peko, declined to comment on the possibility that Peko is involved in the takeover negotiations.

Banker criticises controls

By Our Sydney Correspondent

CONTINUATION of official controls on the banking system would ultimately make it more difficult for the Government to implement economic and monetary controls. Mr. R. R. Law-Smith, the chairman of the National Bank of Australasia, suggested yesterday.

At the annual meeting of shareholders in Melbourne, he said that the controls had led to the growth of non-bank financial institutions and to a persistent decline in the relative size of the banking system compared with the overall financial market.

"I firmly believe the banking system has been overly restrained to the detriment of its ability to service the financial requirement of the community," Mr. Law-Smith said.

He said that as the relative size of the banking system declined, it became more difficult for the Government and Reserve Bank to implement economic policies.

The danger existed in the long-term that achievement of a given result would require ever stricter montetary controls, which would in turn be of further disadvantage to the banking system. The chain could be broken by ensuring that banks were not subject to undue restraint and were able to compete on an equal basis with other financial institutions.

"This is a far preferable alternative to instituting controls on all other institutions," he maintained.

Mr. Law-Smith said that the National welcomed recent reductions in interest rates and looked forward to further reductions as circumstances permitted. But he gave a warning that full regard should be paid to market influences, and that attempts to reduce rates ahead of the market would be undesirable.

There was a danger that it could lead to an acceleration in the money supply while confidence could also be damaged by a failure to sustain lower rates.

EUROPEAN TYRE INDUSTRY

A harsh wind of change

BY TERRY DODSWORTH IN PARIS

Earlier this month, the second largest tyre producer in France, Kleber-Colombes, and Semperit, the Austrian industrial group, announced their intention to end all trading and financial agreements. The result is that Semkler, the jointly-owned Swiss holding company of the two group, is to be dismantled.

THE HARSH wind of change blowing through the European tyre industry was almost certain sooner or later to tear apart the tender alliance between Semperit of Austria and Kleber-Colombes of France. From the start, the relationship had been difficult.

Apart from the problems of management co-ordination and the unexpectedly slow development of technical collaboration, the venture was launched during an unparalled slump in the European tyre market which drained off any financial fat which might have lubricated a full merger. Kleber was torpedoed into such losses that eventually Michelin of France, its major shareholder, had to call a halt.

The subsequent dismantling of the Semkler holding company which linked the two groups only goes to show how difficult it is to find a strategy for survival in the European tyre industry today. The idea behind the Franco-Austrian tie-up was to bring together two of the region's moderate-sized groups (Kleber is believed to produce about 8m tyres a year in France) in a defensive move against the big American multinationals. But over-capacity in the industry is now such that markets are being pulled from under the feet of all but the strongest companies.

The fundamental reason for this tightening in trading conditions lies in the new technology—developed, ironically, by Michelin—which has produced radial tyres capable of going up to twice as far as the old-style cross plys. This means logically that the industry has to slim. Vehicle markets and the vehicle stock in Europe are simply not expanding fast enough to absorb the slack. So one or another company has to go.

Europe went through another phase of reorganisation only ten to 15 years ago, when the lines of the present structure of the tyre industry emerged. This was an era of growth, when companies merged or acquired others to develop the resources to cope with the big expansion in vehicle production. It was during that period, in 1965, that Michelin effectively gained control of Kleber in a deal which gave it less than 50 per cent of the company but the largest single stake.

Michelin, which flourishes under the deserved reputation as one of the most secretive companies in the world, will not say much about its relationship with Kleber, beyond insisting that its affiliate operates as an autonomous unit. This seems to be true in a technical sense at least. Kleber's launch of its new V12 steel-belted tyre came rather later than might have been expected of a company linked to Michelin, and its experiments with a new run-flat product appear to have been carried on independently.

Nevertheless, in this industry it is generally assumed that Kleber dances to the Michelin tune in commercial matters, and Michelin's strategy in moving into Kleber was clearly based on maintaining a dormant position in the French market. On the most recently available figures, Michelin was reckoned to have a littel over 50 per cent of French tyre sales (both original equipment supplied to car manufacturers and replacements), with Kleber following in second place with about 18 per cent.

So what does Michelin do now? To give up Kleber would clearly leave a big hole in the market which others would be eager to exploit. Dunlop (about 15 per cent of sales and two factories in France against Michelin's eight and Kleber's three) is waiting in the wings, along with the American producers, Goodyear (sales of about 7 per cent), Firestone (3 per cent) and Uniroyal (3 per cent). Continental-Gummi of West Germany has some 2½ per cent of the French tyre market. Yet Kleber, with losses accelerating alarmingly from FFr 46.7m ($10.9m) in 1977 to FFr 49.6m in the first half of 1978, is clearly in a situation in which any rescue action will demand heavy investment in management time and money.

Among Kleber's 9,500 employees, who see the threat of surgery looming closer every day, there has been no shortage of rumours about the future. Suggestions of possible new partners range from the French oil companies to the big American or German tyre groups.

Michelin itself is in a very different position to that when it acquired its shareholders in Kleber in the mid-1960s. It has since become a significant international force, with its future tied as much to overseas developments as to the French market of between 35m to 40m tyres a year.

But whether this means that it can surrender a little of these French sales is another question. Despite the moves towards a more open industrial structure in France, it would be more characteristic of the system if Michelin were to seek some form of French solution to Kleber's problems.

Uncertain future for Austrian producer

BY PAUL LENDVAI IN VIENNA

SEMPERIT, WITH total sales of around Sch 7bn ($520m), faces a bleak future following the ending of its five year partnership with Kleber-Colombes. The company badly needs an infusion of new capital. But Dr. Heinrich Treichl, chairman and director general of Austria's leading bank, Creditanstalt Bankverein which controls Semperit, said as recently as last summer that a "capital increase cannot be regarded as a mere instrument to write off losses and must be preceded by a realistic medium-term concept."

The group's accumulated losses for the four years to 1978 may be as high as Sch 400m. The Sch 99m losses posted in 1977 were calculated after transfers from reserves: Austrian observers estimate that the 1978 losses (before balance sheet adjustments) may have topped Sch 120m. The strike of a relatively small, highly skilled group in the spring of 1978 only accentuated an already difficult situation for Semperit.

The link with Kleber was originally to have led to one group with one brand name, one balance sheet and one leadership. Both sides faced painful decisions involving the closure of Semperit's plant in Dublin and Kleber's factory at Colombes. But it is generally agreed by Austrian observers that the main obstacle to the alliance was the deeply-seated suspicion, and later opposition, of the unions and the middle management at Semperit.

The fear of being swallowed up by Michelin and of losing the co-determination and participation rights in decision-making centres moved outside Austria were apparently stronger than the possible long-term advantages in research and development and marketing.

As Creditanstalt itself is controlled by the Federal State (now led by a socialist government), Dr. Treichl could not seemingly have engaged his bank and the rubber company in a risky venture without the support and solidarity of the people directly concerned.

As to the future, Semperit is linked to a small but controversial venture in Yugoslavia where the company has a 28 per cent interest in Borovo, turning out 125,000 tyres per annum, about half of the projected final capacity.

Elsewhere, the sale of the Vienna office building for some Sch 340m can only be seen as a short term relief.

It is doubtful, however, whether Semperit will have the resources to restart worthwhile research and development and to increase investments in the two plants at Traiskirchen and Dublin. The company's major weakness is rooted in producing too many types of tyres in relatively small series.

It is taken for granted in Austrian financial circles that, sooner or later, a considerable proportion of the 8,880 strong labour force at the parent company (the concern employs 13,000 in all) will be made redundant.

Olivetti expects level of profits to be marginal

BY PAUL BETTS IN ROME

OLIVETTI shareholders yesterday approved their company's combined rights and convertible bond issue and were told that group profits for 1978 were likely to be marginal.

The Ivrea-based mechanical engineering and electronics company reported profits up from L1bn to L5.3bn ($6.4m) in 1977. That performance compared with losses of L8.6bn in 1975.

The leading operation, which is the latest stage in the company's programme to consolidate its financial position and fund its future research and productive projects, will double capital to L200bn. It involves a one-for-one rights issue at L1000 a share.

However, shareholders will have the option to subscribe to a convertible bond issue launched by Mediobanca, the Milan medium-term credit institute, and subsequently convert the bonds of L1000 par value into new Olivetti shares on a one-for-one basis.

Shareholders of the company, which increased its capital from L60bn to L100bn last year, will therefore have the choice of either subscribing to the new rights or to the Mediobanca bond issue.

The funds raised by the bond issue, to be underwritten by a consortium of leading Italian banks, will be credited to Olivetti by Mediobanca as a ten-year loan.

Textile losses reduced

BY OUR PARIS STAFF

RHONE-POULENC Textile, the loss-making subsidiary of the French chemicals and textiles group, shed 1,750 workers last year and reduced losses by FFr 200m to about FFr 500m ($116m), in the first stage of its reorganisation plan.

These results were achieved against a background of poor sales which were about the same level as last year at FFr 2.4bn. Some FFr 500m is being invested in new facilities at three centres, Valence, Gauchy and Arras.

The next stage in the group's restructuring exercise involves a further 1,700 reduction in the labour force from the present level of 11,500.

FOOD PRICE MOVEMENTS

	January 25 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton ...	1,140	1,140	1,140
British A.1 per ton ...	1,110	1,110	1,110
Irish Special per ton...	1,110	1,110	1,110
Ulster A.1 per ton§ ...	1,110	1,110	1,110
BUTTER			
NZ per 20 kg	—	—	12.61/13.40
English per cwt†	81.65	81.65	81.11
Danish salted per cwt†	80.98/83.72	80.98	80.98/83.72
CHEESES			
NZ per tonne	—	—	—
English cheddar trade per tonne	—	—	—
EGGS*			
Home produced:			
Size 4	5.00/5.20	4.50/5.00	3.00/3.20
Size 2	5.80/6.10	5.30/5.60	3.90/4.00
	January 25 p	Week ago p	Month ago p
BEEF			
Scottish killed sides ex-KKCF	—	60.0/65.0	—
Eire forequarters	42.0/45.0	60.0/65.0	—
LAMB			
English	54.0/62.0	58.0/64.0	—
NZ PLs/PMs	—	—	—
PORK (all weights)	35.0/46.0	35.0/46.0	35.0/46.0
POULTRY			
Broiler chickens	36.5/38.0	36.0/38.0	33.0/38.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. § For delivery January 27-February 3.

EUROBOND LEAD MANAGEMENT

West German banks tighten their grip

BY MARY CAMPBELL

THE DOMINANCE of two leading German banks, Deutsche Bank, and WestLB, as lead managers in the Eurobond market has been confirmed by figures compiled by S. G. Warburg. Of the $11.2bn worth of international listed debt issues brought to the European capital market last year by the top 20 lead managers, these two banks were responsible for 27.6 per cent and 12.7 per cent respectively. In 1977 Deutsche Bank was responsible for 21.3 per cent and WestLB for 8.4 per cent of $15.5bn of new issues.

These big increases meant that although Dresdner and Commerzbank both lost ground proportionately, while one West German manager, BHF-Bank, dropped out of the top 20 altogether, West German banks were responsible for over half of all the issues included in the total last year, up from 43 per cent in 1977.

New banks in the top 20 last year were BNP, County Bank (which came in at 13th place due to managing one big issue, for its parent bank, NatWest), Dillon Read (14th), Société Générale (15th), Chase Manhattan Limited (17th) and Kredietbank Luxembourgeoise (18th).

Those which dropped out of the top 20 were Morgan Stanley (7th in 1977), Swiss Bank Corporation (15th), Daiwa (16th), BHF-Bank (17th) and Morgan Grenfell (18th).

In the table, issues managed by First Boston have been aggregated with those managed by Crédit Suisse White Weld for both years.

Because of the limitations on the kind of issues Warburg's has chosen to include in its calculations, most foreign bonds, private placements (including Euroguilder issues) and public issues outside Europe are excluded. Within the narrow limits of the chosen definition, the main anomaly is attribution of the full value of issues to each of joint lead managers.

EUROBOND LEAD MANAGERS

	1978 $bn	1978 %	1977 $bn	1977 %
1. Deutsche Bank	3.08	27.6	3.29	21.3
2. West LB	1.42	12.7	1.30	8.4
3. Crédit Suisse First Boston	0.92	8.2	2.13	13.7
4. S. G. Warburg	0.87	7.7	1.60	10.3
5. Dresdner Bank	0.72	6.5	1.20	7.7
6. European Banking	0.48	4.3	0.16	1.0
7. Commerzbank	0.44	3.9	0.66	4.2
8. UBS (Securities)	0.38	3.4	1.09	7.0
9. Crédit Lyonnais	0.35	3.2	0.39	2.5
10. BNP	0.34	3.1	na	—

ENGLISH CHINA CLAYS LIMITED

LORD ABERCONWAY

reports on a difficult but not entirely discouraging year.

Points from the Chairman's Statement

English China Clays group

CONSOLIDATED PROFIT STATEMENT for the year ended 30th September	1978 £'000	1977 £'000
Turnover	234,244	203,742
Group profit before taxation	24,482	30,477
Group profit after taxation	17,185	21,575
Dividend	6,402	5,723
Additional dividend in respect of 1977	44	—
Retained profit	10,739	15,852
Earnings (after taxation) per share	10.66p	13.88p
Dividend cover (times)	2.7	3.7

RESULTS

1978 was a beastly year for the Clay Division, and so for the Company. The Quarries Division had a splendid year, and the Building Division, despite difficulties, did well. In the circumstances the profit, though showing poorly against the previous year's figure, could have been worse. The second half of the year did not lag much behind the excellent second half of 1977, and shareholders may well consider this a notable achievement. The recommended final dividend for the year of 2.0434p (total 3.9684p) is the maximum which we may pay under the Government's formula for restricting dividends.

CLAY DIVISION

The depressed state of the paper trade worldwide, and the relative strengths and weaknesses of our currencies and those of our overseas markets and competitor countries, made any price increase of china clay for that industry overseas impracticable as from 1st January 1978: meanwhile all costs rose inexorably and predictably, and margins were squeezed. Sales of clays to all industries worldwide by all producers worldwide has only marginally increased in the last 12 months. Of this business we have maintained our share in terms of tonnage, despite the advantage given to our U.S.A. competitors by the weakness of the dollar. The trend has been for a stronger demand for the speciality coating clays, and the growing shift in balance thereby created between coating and filler clays calls for further investment in facilities for producing specialised clays and for the beneficiation of the lower quality clays. We continue to increase the numbers or size of our stores overseas. To extend our technological lead in the paper section we have continued the development of new products.

QUARRIES & BUILDING DIVISIONS

Despite Government restrictions on the construction of major roads, and a long, miserable, wet winter, the Quarries Division produced an excellent profit; each region and area did well and Boddy Industries, in its first full year as a member of the Group, was highly successful.

Successful operations in the fields of private estates housebuilding and of leisure ensured for the Building Division a good and encouraging year, even though it was forced virtually to cease its activities in public sector housing in this country.

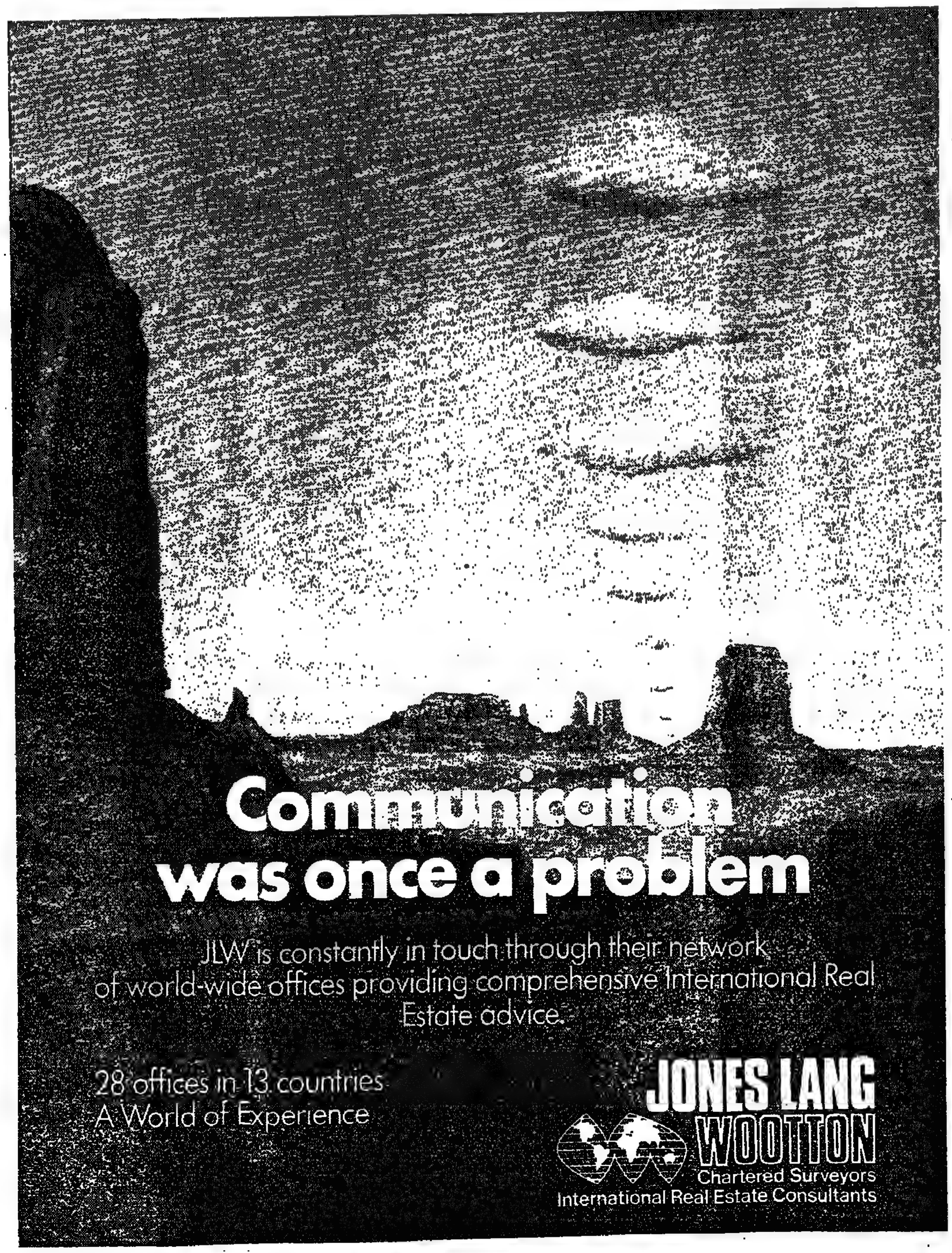
PROSPECTS

A robust increase in china clay prices to the paper trade overseas has been applied from 1st January 1979 to offset, though only to some extent, our price restraint a year ago. For all other users, for whom a price increase was introduced a year ago, a modest increase has been levied from 1st January 1979. We are confident that we can continue to meet competition effectively throughout the world and that we shall hold our market share.

The current year has opened well for the Group and its prospects look better than for some time, subject to the qualification that the country is threatened with crippling strikes, especially affecting transport by road and rail. If these disruptions continue and are intensified, so that in particular supplies vital to our production processes cannot be delivered, the setback to our operations will be serious.

ANNUAL GENERAL MEETING

The 60th Annual General Meeting of the Company will be held at the Hyde Park Hotel, Knightsbridge, London, SW1, on Wednesday 21st February 1979 at 12.30 p.m.



Sears setting out to woo back Middle America

BY MARALYN EDID

DURING THE last few years, Sears, Roebuck and Co. has lost market share, suffered the indignity of profit declines in spite of volume gains and watched its field managers run wild with their own heady independence.

But according to an internal document published early last month by Crain's Chicago Business, a local financial weekly, America's retail giant will, over the next five years, change its organisational structure and its merchandising, pricing and advertising strategies. Its goal is to boost margins, profits and sales and to reclaim the dollars and loyalty of America's middle class.

Consumer surveys show that 75 per cent of American adults shop at a Sears store during the course of a year. But other market research indicates that less than one-third of Sears' $17bn volume is generated in markets where the retailers' dominance is growing.

Sears' setback is due to mistakes made during the past decade and to a fiercely competitive retail environment where most American stores are learning that being all things to all shoppers is not a formula for success. It just may be that Sears, an 862-store chain that carries thousands of moderately-priced items from car batteries to salted nuts, is an overstuffed anachronism.

While other merchants are marketing status, trends, specialised inventories or cut-rate prices, Sears is updating the strategy that brought it success in the two decades following World War II. "Sears is a family store for middle-class, home-owning America," reads a passage from its five-year strategic plan, known within Sears as The Yellow Book. ". . . We are the premier distributor of non-durable goods that have their acceptance base in function rather than fashion . . . We are not a store that *anticipates*. We *reflect* the world of Middle America, and all of its desires and concerns and problems and faults."

Between now and 1983, chairman Edward R. Telling will oversee Sears' break with its short-lived attempt at trading up its merchandise to lure higher-income, fashion-conscious customers. It will pare the number of own-brand suppliers and the variety within merchandise categories. Sears will end its heavy promotional pricing, speed its distribution system, streamline its executive staff, concentrate more control at Chicago headquarters and slash its advertising budget.

Sears' troubles began in the mid-1960s when it ogled America's more affluent consumers. But it never attracted these desirable shoppers and drove its traditional, cost-conscious customer scurrying to other low-priced department stores.

Loyalty

As volume slid, Sears tried to boost sales and win customer loyalty through continuous special offers. But smart shoppers feeling the inflation pinch mastered the technique of buying only items on sale. While overhead and merchandise costs continued rising, Sears' profit margins were eroded. Since 1972, Sears' pretax margins have fallen from 10 per cent to 7 per cent.

That year, sales rose 15 per cent to $17.2bn, while group profits fell 13 per cent to $363.9m, including a $417m contribution from Sears' money-producing Allstate Insurance subsidiary. Although final figures are not yet in, Sears 1978 profits are expected to dip 9 per cent to $331m, following volume declines throughout the fourth quarter. Its stock recently hit a 52-week low of $19.75. Its high for the year was $28.125.

More specifically, Sears will thin out its top ranks and end the "paper blizzard" of reports and memoranda. The merchandising executives will be most affected, as the company plans a 10 per cent personnel cut to about 3,550 junior store managers. At the same time, Sears will strengthen the role of its 640 buyers, making them more responsible for satisfying customer tastes and meeting its pricing and profit guidelines.

Headquarters will henceforward exert more control over field operations, including such delicate matters as phasing out units and selecting appropriate new sites for stores.

Sears plans to set up a logistics group to restructure the distribution system. In the past, most Sears' stores maintained heavy inventories because getting the goods to the outlets required too much time. Now, 11 regional distribution centres will be built to complement the 141 existing warehouses. Sears' executives look forward to overnight deliveries.

The Sears' internal report also reveals plans to slash advertising outlays. Over the next five years, the company will not only reduce the absolute dollar outlay, but the ratio of advertising dollars to sales. The 1978 advertising budget of $519m will be pruned to $482m in fiscal 1979, or from 3.55 per cent of sales to 3.29 per cent. By 1983, Sears anticipates this budget will represent 3 per cent of total sales volume.

The attempt to keep margins high without pricing itself out of the market will depend, of course, on convincing shoppers that it offers the best value for the dollar and that its product is different from, but not more expensive than, the competition. But what Sears may ultimately find is that its position as America's dominant retailer is shaky. Even the king does not live forever.

NESTLE IN AFRICA

Expansion projects

BY JOHN WICKS, RECENTLY IN WEST AFRICA

THE NESTLÉ concern is one of the most multi-national of the multi-nationals. Its home country, Switzerland, accounts for only an insignificant fraction of production and sales, even though the group, which in 1977 had a record turnover of over SwFr 20bn, is the "biggest Swiss company." At last count, Nestlé was operating 294 different plants in more than 50 countries.

The Third World plays an important role in group output and marketing, not least because the group specialises in products with an agricultural base. Over 80 factories are in operation in developing countries, 30 per cent of 1977 world sales coming from Asia, the Latin American and Caribbean countries and Africa. But as headquarters at Vevey has learned to its cost, business in these areas has its pitfalls. In America there has recently been a renewal of criticism — leading to boycott calls from students and church organisations — of baby-food sales, seen by opponents as winning mothers away from healthier breast-feeding traditions.

In fact, the often hot-tempered debate as to the rights and wrongs of artificial baby foods has been much more in evidence in Western countries than in the Third World itself.

Be that as it may, Nestlé has no intention of giving up its strong position in the markets of developing countries. On the contrary, operations are being expanded rather than cut back—and in such a way as to gain the support of the national authorities concerned. One important feature is the move to increased local processing of local raw materials, thus reducing imports, up-grading exports and generally improving added-value standards.

A country in which this development seems particularly promising is the Ivory Coast, where Nestlé controls the companies Capral and Novalim. Production here has at present been limited to that of Nescafé in Capral's Abidjan plant, where Maggi bouillon is also portion-packaged in powder form.

Already, some 13,000 tons of green coffee are used by the plant to produce 5,300 tons of Nescafé per year, apart from quantities sold to Switzerland for blending. Plans are now under study to raise the Abidjan unit's capacity to 8,000 tons per year. This would provide a market for something like 6.5 per cent of the Ivory Coast's average coffee crop. At present, more than 85 per cent of the Nescafé made in Ivory Coast is exported. About seven-tenths of coffee consumption in this third biggest producer country is in the form of Nescafé.

Also foreseen for Abidjan is the opening of a small Nescao cocoa-drink facility next year. Cocoa semi-products based on Ivory Coast beans would be bought from other firms, including the Procaci company in which Swiss compatriot Interfood (Suchard/Tobler) has a stake.

At the same time, Novalim is building a plant outside the capital, at Yopougon, to open at the end of this year at a cost of FrsCFA 2.5bn (£5.8m); initial production will be of Maggi stock cubes and the infant cereal Cérélac. As much as possible, local bases are to be used, such as palm oil and sugar.

Similar patterns are emerging in another West African country, Senegal. Apart from supplies of Senegalese salt to the Yopougon stock-cube production, Nestlé's local company Codipral, may in future be looking at such options as the use of peanut oil in the production of so-called "filled milk" (reconstituted) or, as in Ivory Coast, the processing of local produce (millet) in Cérélac.

Before any such diversification by Codipral, however, there will be a period of consolidation following a planned joint venture in the company's sole present production area — condensed milk—with a Senegalese company. Codipral's existing 10,000 tons per year unit at Thiaroye, near Dakar, would join up with Société Industrielle des Produits Laitières to set up the new company, Industries Laitieres du Senegal (in which the Nestlé shareholding would be 51 per cent). This would not only have a 100 per cent national market share but in time would be able to swell the country's insufficient export volume.

In the meantime, Nestlé's world headquarters in the Lake of Geneva is showing its keenness to "upgrade" Third World operations. On January 1, José Daniel and Samuel Senn, as executives responsible for Africa and for Asia/Australasia respectively, were promoted to the rank of managing directors.

Nor does thinking tropical stop at that in currently snow-bound Switzerland: in Senegal test sales have been taking place successfully of sandwich spreads in the flavours of mango, tangerine, coconut and chocolate — all of them "Fabriqué en Suisse . . ."

The Proprietors of Hay's Wharf, Limited

The 71st Annual General Meeting was held in London on 25th January 1979, with Sir David H. Burnett, Bt., M.B.E., T.D., the Chairman presiding. The Report and Accounts for the year ended 30th September 1978 were adopted and the final dividend was approved. The following are extracts from the Chairman's statement.

Summary of Results

The profit before tax for the year amounted to £4,587,000, which is an increase of 54% on the previous year.

A final dividend of 3.961p per share, with the interim of 1.564p already paid, makes a total of 5.525p for the year, compared with 4.948p last year.

Trading conditions during 1978 were not on the whole easy but profits before interest and tax were reasonably well maintained throughout the Group.

The improvement in profit before tax reflects a full year's benefit from the elimination of certain loss making assets sold late last year, a resultant reduction in interest charges, and also an improved demand for storage.

Comparative Figures	1978	1977
Year ended 30th September	£'000	£'000
Group turnover	52,500	47,300
Trading profit before taxation	4,587	2,978
Taxation	1,660	1,100
Profit after taxation	2,891	1,827
Dividends—Ordinary and Preference	1,034	920
Extraordinary items:—		
Profits less Losses (1977 Losses less Profits) including amounts attributable to Minority Shareholders	238	(1,846)
Premiums on acquisition of shares in subsidiaries and goodwill written off	(284)	(1,884)
Transferred to Reserve (Deficit in 1977)	1,811	(2,823)
Earnings per share Based on profit before extraordinary items	16.53p	10.53p

Further Outlook

Our increasingly wide spread of interests, some of which are now showing promising signs of growth, should provide the company with improved stability and strength to meet unforeseen problems in the future and to take quick advantage of the commercial opportunities which will undoubtedly occur when trade revives.

Copies of the full Report and Accounts can be obtained from the Secretary of The Proprietors of Hay's Wharf, Limited, St. Olaf House, London Bridge, London SE1 2PJ.

CURRENCIES, MONEY and GOLD

Dollar improves

The dollar rose against most currencies in yesterday's foreign exchange market, but finished some way below its best level. Against the D-mark it finished at DM 1.8590 compared with DM 1.8440 on Wednesday, and showed a strong improvement against the Swiss franc to SwFr 1.6887½ from SwFr 1.6745. On Morgan Guaranty figures at noon in New York, its trade weighted average depreciation narrowed from 8.9 per cent to 8.8 per cent. On Bank of England figures, the dollar's index rose to 84.2 from 83.8. Comments by President Carter in his annual economic message which were followed by Presidential economic adviser Charles Schultze predicting a strong and stable dollar

proved to be a little too much for the market to accept and during the afternoon the dollar fell below its best levels for the day.

Sterling opened at $1.9985-1.9995, which proved to be its best level. During the morning it eased to $1.9940 and touched $1.9885-1.9895 when the dollar was at its strongest. However later in the afternoon, positions were reversed and sterling recovered to close at $1.9925-1.9930, a loss of 70 points from Wednesday's close. The pound showed a better performance against European currencies and on Bank of England figures, its trade weighted index rose to 63.3 from 63.2, having stood at 63.3 at noon and 63.2 in early dealings.

NEW YORK—In busy trading the dollar improved against most currencies. Encouraging statements by Federal Reserve Board chairman William Miller that the U.S. could avoid a recession may have helped boost the U.S. unit while some dealers suggested that large intervention by the Swiss authorities on Wednesday was behind the improvement. Towards mid-day it was quoted at DM 1.8600 up from DM 1.8575 earlier and DM 1.8442 on Wednesday. Against the Swiss franc it improved to SwFr 1.6885 from SwFr 1.6750 previously.

FRANKFURT—The dollar was fixed at DM 1.8546 yesterday, an improvement on Wednesday's level of DM 1.8466, and there was no intervention by the Bundesbank. Opinions were still divided as to the possible effects of President Carter's speech due later in the day, and trading remained fairly active.

MILAN—The lira lost ground against the dollar, but improved against other major currencies. The dollar was fixed at L837.55, up from Wednesday's level of L835.20 and of the $21m traded, the Bank of Italy sold nearly the whole amount as well as intervening in other dealings. End of month demand was cited as one of the reasons for the U.S. unit's sharp improvement. The D-mark eased to L451.39 from L452.32 and the Swiss franc fell from L497.5 to L495.8.

ZURICH — In fairly active trading, the dollar improved against most currencies and by mid-morning was quoted at SwFr 1.6910 up from SwFr 1.6810 earlier and DM 1.8540 compared with DM 1.8475. Some sources suggested that demand for the U.S. unit had been stimulated by the Swiss authorities' decision to lift the ban on Swiss investments.

AMSTERDAM—The dollar was fixed at Fl 2.0040 yesterday compared with Wednesday's fixing of Fl 1.9945. In later trading, the U.S. unit improved further to Fl 2.0070.

TOKYO—The dollar drifted slightly easier against the yen yesterday and closed at Y198.05 compared with an opening level of Y197.80 and Wednesday's close of Y198.10.

THE POUND SPOT

Jan. 25	Ba'k rate %	Day's Spread	Close
U.S. $	9½	1.9885-1.9995	1.9925-1.9935
Canadian$	11¼	2.3685-2.3885	2.3740-2.3760
Guilder	6½	3.97-4.005	3.9925-4.0025
Belgian F	6	58.10-58.50	58.30-58.40
Danish K	8	10.22-10.28½	10.27-10.28
D mark	3	3.69-3.72	3.70-3.71
Port. Esc.	18	93.10-94.00	93.80-94.00
Span. Pes.	8	138.90-138.55	138.90-139.0
Lira	10½	1,666-1,675	*1,668-1,669
Nrwgn. K.	7	10.15-10.20	10.18-10.190
French Fr.	9½	8.45½-8.50	8.48½-8.49½
SwedishKr	6½	8.69-8.73	8.71-8.72
Yen	3½	395-405	396½-398½
AustriaSch	3¾	26.95-27.25	27.10-27.15
Swiss Fr.	1	3.35-3.39	3.36½-3.37½

Belgium rate is for convertible francs. Financial franc 59.50-59.80.
* Closing spread for Jan. 24 should be 1,668.5-1,669.5.

FORWARD AGAINST £

Jan. 25	One month	% p.a.	Three months	% p.a.
U.S. $	0.48-0.38c pm	2.59	1.32-1.22c pm	2.58
Canadian$	0.55-0.45c pm	2.53	1.60-1.50c pm	2.60
Guilder	2-1c pm	4.44	6⅜-5⅜c pm	5.84
Belgian F	25-15c pm	4.08	75-65c pm	4.76
Danish K	¼ore pm-1¾dis	−1.08	1½ore pm-1½dis	0.36
D mark	3⅜-2⅝ pf pm	9.24	9¼-8¼ pf pm	9.28
Port. Esc.	50-100c dis	−9.49	75-285c dis	−6.36
Span. Pes.	5-75c dis	−3.00	80-160c dis	−3.16
Lira	½ lire pm-1½dis	Par	3½-1½ lire pm	Par
Nrwgn. K.	7½-5½ ore pm	7.52	15½-13½ore pm	5.56
French Fr.	5¾-2¾c pm	4.56	10½-8½c pm	4.68
SwedishKr	3-1 ore pm	2.64	12-10 ore pm	5.04
Yen	3.80-4.10y pm	11.88	10.75-11.05y pm	10.89
AustriaSch	22-12 gro pm	7.44	52-42 gro pm	6.92
Swiss Fr.	4-3c pm	12.36	11½-10½c pm	13.04

Six-month forward dollar 2.30-2.25c pm, 12-month 4.20-4.05c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	1.9885-1.9995	1.9925-1.9935	0.48-0.38c pm	2.59	1.32-1.22c pm	2.55
Ireland	1.9885-1.9995	1.9925-1.9935	0.48-0.38c pm	2.59	1.32-1.22c pm	2.55
Canada†	83.90-83.98	83.90-83.93	0.05-0.02c dis	−0.50	0.06-0.03c dis	−0.21
Nethlnd.	1.9945-2.0115	2.0070-2.0100	0.42-0.37c pm	2.32	1.70-1.65c pm	3.30
Belgium	29.105-29.35	29.33-29.35	5-4c pm	2.30	17-15½c pm	2.76
Denmark	5.1180-5.1615	5.1560-5.1585	0.60-1.10ore dis	−2.23	2.60-3.10ore dis	−2.20
W. Ger.	1.8480-1.8635	1.8545-1.8555	1.05-1.00pf pm	6.69	3.25-3.20pf pm	6.96
Portugal	46.70-47.05	46.95-47.05	28-38c dis	−8.42	50-115c dis	−7.02
Spain	69.53-69.69	69.66-69.67	18-30c dis	−4.13	75-95c dis	−4.83
Italy	835.30-838.30	837.80-838.30	1.70-2.10lire dis	−2.59	4.10-4.70lire dis	−1.97
Norway	5.0820-5.1180	5.1170-5.1180	2.55-2.15ore pm	5.19	4.65-4.25ore pm	3.35
France	4.2305-4.2685	4.2500-4.2550	0.82-0.67c pm	2.92	2.55-2.35c pm	2.52
Sweden	4.3500-4.3780	4.3750-4.3760	0.90-0.70ore pm	1.79	2.90-2.70ore pm	2.32
Japan	197.50-199.90	198.90-199.10	1.60-1.50y pm	9.72	4.25-4.15y pm	8.75
Austria	13.520-13.642	13.602-13.612	6.50-5.50gro pm	5.29	18.00-15.25gro pm	4.88
Switz.	1.6802-1.6950	1.6900-1.6920	1.45-1.40c pm	10.35	4.50-4.45c pm	10.66

† U.S. cents per Canadian $.

CURRENCY RATES

January 23	Special Drawing Rights	European Unit of Account
Sterling	0.647131	0.678[illegible]
U.S. dollar	1.29148	1.35[illegible]
Canadian dollar	1.53712	1.61470
Austrian schilling	17.4873	18.3[illegible]
Belgian franc	37.6208	39.5520
Danish krone	6.61109	6.95443
Deutsche Mark	2.38485	2.50970
Guilder	2.57[illegible]	2.70817
French franc	5.47717	5.75555
Lira	1078.71	1134.42
Yen	255.842	268.824
Norwegian krone	6.55814	6.89781
Peseta	89.8728	94.[illegible]
Swedish krona	5.61885	5.90770
Swiss franc	2.16581	2.27841

CURRENCY MOVEMENTS

January 25	Bank of England Index	Morgan Guaranty changes %
Sterling	63.26	−40.9
U.S. dollar	84.23	− 8.6
Canadian dollar	78.87	−18.6
Austrian schilling	146.98	+19.6
Belgian franc	114.67	+15.2
Danish krone	118.77	+ 7.6
Deutsche Mark	150.24	+42.1
Swiss franc	192.86	+80.5
Guilder	124.81	+20.8
French franc	99.84	− 5.5
Lira	54.36	−49.2
Yen	144.95	+43.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan. 25	£	$		£ Note Rates
Argentina Peso	2063-2082	1036-1045	Austria	26½-27½
Australia Dollar	1.7480-1.7550	0.8771-0.8796	Belgium	59-60
Brazil Cruzeiro	42.76-43.76	21.46-21.96	Denmark	10.17-10.27
Finland Markka	7.90-7.92	3.9639-3.9739	France	8.40-8.50
Greek Drachma	71.646-73.398	35.95-36.83	Germany	3.64-3.74
Hong Kong Dollar	9.4725-9.4925	4.7529-4.7629	Italy	1,650-1,700
Iran Rial	148-158	74¼-79¼	Japan	395-405
Kuwait Dinar (KD)	0.541-0.551	0.2715-0.2765	Netherlands	3.92-4.02
Luxembourg Frc.	58.30-58.40	29.29-29.31	Norway	10.10-10.20
Malaysia Dollar	4.3600-4.3725	2.1877-2.1939	Portugal	91-100
New Zealand Dlr.	1.8830-1.8890	0.9448-0.9478	Spain	141.75-145.75
Saudi Arab. Riyal	6.62-6.72	3.3216-3.3718	Switzerland	3.30-3.40
Singapore Dollar	4.29-4.3025	2.1525-2.1588	United States	1.9950-2.0050
Sth. African Rand	n/a	n/a	Yugoslavia	39.5-41.5

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Jan. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.993	3.705	397.5	8.490	3.368	3.998	1669.	2.375	58.35
U.S. Dollar	0.502	1.	1.859	199.4	4.260	1.690	2.006	837.2	1.191	29.28
Deutsche mark	0.270	0.538	1.	107.3	2.291	0.909	1.079	450.3	0.641	15.75
Japanese Yen 1,000	2.516	5.014	9.321	1000.	21.36	8.472	10.06	4197.	5.974	146.8
French Franc 10	1.178	2.347	4.364	468.2	10.	3.966	4.708	1965.	2.797	68.73
Swiss Franc	0.297	0.592	1.100	118.0	2.521	1.	1.187	495.5	0.705	17.33
Dutch Guilder	0.250	0.499	0.927	99.44	2.124	0.842	1.	417.4	0.594	14.60
Italian Lira 1,000	0.599	1.194	2.221	238.2	5.088	2.018	2.396	1000.	1.423	34.97
Canadian Dollar	0.421	0.839	1.560	167.4	3.575	1.418	1.684	702.7	1.	24.57
Belgian Franc 100	1.714	3.416	6.350	681.2	14.55	5.771	6.851	2859.	4.069	100.

EURO-CURRENCY INTEREST RATES

Jan. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	10⅞-11⅛	10-10¼	8⅛-9⅛	7⅜-7⅝	−1/16-1/16	2 1/16-3 1/16	7	7-10	—	−2⅝-3
7 day's notice	12¾-13¼	10-10¼	8⅛-9⅛	7⅜-7⅝	par-⅛	3⅛-3⅜	7	11-12	10⅛-10⅜	−1/16-1
Month	12⅞-13⅛	10¼-10¼	10 1/16-10 5/16	7½-7¾	par-⅛	3 1/16-3⅜	7⅞-8⅛	13-14	10⅝-10¾	1/16-1⅛
Three months	13⅝-13⅞	10⅜-10⅞	10¾-11⅛	7½-7¾	par-⅛	3¾-3⅞	8⅛-8¼	13½-14½	11¼-11⅜	1½-2 1/16
Six months	13⅞-14⅛	11⅛-11⅝	10 13/16-11 1/16	7½-7¾	1/16-3/16	4-4⅛	8⅞-9⅛	13¾-14¾	11½-11⅝	2 1/16-2 5/16
One year	13⅛-13⅞	11⅛-11⅝	10 13/16-11 1/16	7½-7¾	1/16-3/16	4 1/16-4 5/16	9⅝-9⅞	14-15	11 1/16-11 3/16	2⅝-3 1/16

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.55-10.65 per cent; six months 11.10-11.20 per cent; one year 11.10-11.20 per cent.

Long-term Eurodollar deposits: two years 10⅞-11 per cent; three years 10½-10½ per cent; four years 10½-10½ per cent; five years 10½-10½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

New York rates steady

Interest rates in New York showed little change yesterday, and 13-week Treasury bills were quoted unchanged at 9.34 per cent with 26-week bills at 9.43 per cent, compared with 9.44 per cent earlier in the day. One-year bills were unchanged at 9.45 per cent. Federal funds continued to show a steady trend and were trading at 9⅞-10 1/16 per cent, unchanged from Wednesday.

FRANKFURT — Interbank money market rates showed little overall change yesterday with call money at 3.7-3.75 per cent, compared with 3.8-3.85 per cent on Wednesday, and one-month quoted at 4.0-4.05 per cent from 3.95-4.0 per cent. The three-month rate stood at 4.1-4.2 per cent against 4.15-4.2 per cent, while six-month money eased from 4.3-4.4 per cent to 4.25-4.35 per cent. 12-month money was also slightly easier at 4.4-4.6 per cent from 4.55-4.65 per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were very little changed from Wednesday. The rate for one-month deposits stood at 8¼-8½ per cent against 8⅜-8½ per cent with three month deposits at 8⅜-8⅞ per cent compared with 8⅝-8⅞ per cent previously. The six-month rate eased slightly to 8⅝-8⅞ per cent from 8¾-8⅞ per cent and 12-month deposits were unchanged at 8⅝-8⅞ per cent.

PARIS — Day to day money remained at 6⅞ per cent and longer term rates were also unchanged, with one-month money at 6¼-6⅜ per cent, three-month at 6⅜-6⅝ per cent, six-month at 6 11/16-6 13/16 per cent and 12-month at 7 3/16-7 5/16 per cent.

ROME—Yesterday's monthly Treasury bill auction showed a general decline in yields, with three-month bills yielding 10.52 per cent again 10.61 per cent previously and six-month bills at 11.51 per cent against 11.45 per cent. On the latter, the effective rate fell because the latest tranche have a shorter life. One year bills yielded 12.11 per cent compared with 12.30 per cent at the December auction.

HONG KONG—Conditions in the money market were tight with call money at 15½ per cent and overnight business dealt at 15⅞ per cent.

GOLD

Slight fall

Gold fell $1½ an ounce in the London bullion market yesterday to close at $235-235½. In active two-day trading, the metal opened at $236-236½ and eased in a few minutes to $234½-235 before improving to $236½-237. The morning fixing showed a slight easing to $235.10 and during the afternoon it touched a low of $233-233½ before being fixed at $233.85.

In Paris the 12½ kilo bar was fixed at FFr 31,630 per kilo ($231.18 per ounce) compared with FFr 31,800 ($232.79) in the morning and FFr 31,700 ($232.48) on Wednesday afternoon.

	Jan. 25	Jan. 24
Gold Bullion (a fine ounce)		
Close	$235-235½	$235½-237½
Opening	$236-236½	$235½-254½
Morning fixing	$235.10 (£117.709)	$234.50 (£117.425)
Afternoon fixing	$233.85 (£117.336)	$236.10 (£118.050)
Gold Coins, domestically		
Krugerrand	$256-258 (£128½-129½)	$256-258½ (£128½-129½)
New Sovereigns	$66½-68½ (£33½-34½)	$67-69 (£33½-34½)
Old Sovereigns	$68-70 (£34-35)	$67½-69½ (£33½-34½)
Gold Coins, internationally		
Krugerrand	$241-243 (£121-122)	$242½-244½ (£121½-122½)
New Sovereigns	$60½-62½ (£30½-31½)	$61½-63½ (£30½-31½)
Old Sovereigns	$68-70 (£34-35)	$67½-69½ (£33½-34½)
$20 Eagles	$302-307	$304-306
$10 Eagles	$163-168	$165-170
$5 Eagles	$107-112	$109-114

UK MONEY MARKET

Confused trading

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

A cursory glance would have shown a rather confused picture of events in yesterday's money market, with the Bank of England eventually selling a moderate amount of Treasury bills all direct to the discount houses while overnight money in the interbank market commanded up to 25 per cent towards the close.

Rates opened at 10⅞-11½ per cent and eased on the forecast of a large surplus to 10-10½ per cent before firming back to 12-12½ per cent and finally racing up to 20-25 per cent.

The market was faced with a moderate excess of revenue transfers to the Exchequer over Government disbursements while on the other hand banks brought forward balances some way above target, and there was a small decrease in the note circulation.

Discount houses were paying around 11 per cent for secured call loans at the start and closing rates were in the region of 11-12 per cent.

Interest rates showed a slightly easier tendency after MLR had been left at 12½ per cent, although a change yesterday in the rate had been largely discounted by late Wednesday.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Jan. 25 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	10-25	—	—	—	11-12	10½-12	—	—	—
2 days notice	—	—	11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12¼	—	—	—	—
7 days notice	—	11½-11⅞	12⅛	—	12½	—	10¾-11	—	—	—
One month	12⅜-12⅛	12¼-12¾	12⅜-12⅝	12⅞-13⅛	12¾	12⅞	11¾	11¾-11⅞	12 1/16	12¾
Two months	12½-12⅝	12⅝-13	—	12⅞-13⅛	13¼	—	12	12	12⅝	13
Three months	13-12⅞	13 1/16-13⅛	12½-13	12⅞-13⅛	13½	13⅛	12¼	12 1/16-12½	12¾-12 13/16	13¼
Six months	13-12⅞	13 1/16-13 1/16	12½-12⅞	12¾-13	13½	—	—	—	12⅝	13¼
Nine months	12⅞-12 11/16	12¾-13	—	13-13⅛	13¼	—	—	—	—	—
One year	12 11/16-12 13/16	12¾-12⅞	12⅛-12⅝	13-13⅜	13	—	—	—	—	—
Two years	—	—	12⅞-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 13-13¼ per cent; four years 13¼-13½ per cent; five years 13½ per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12¾ per cent; four-month trade bills 13½ per cent.

Approximate selling rates for one-month Treasury bills 11⅝ per cent; two-month 11¾ per cent; three months 11 15/16 per cent. Approximate selling rate for one-month bank bills 12-12 1/16 per cent; two-month 12 7/16-12½ per cent; and three-month 12 29/32-12 25/32 per cent; one-month trade bills 12¾ per cent; two-month 13 per cent; and also three-month 13 per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from January 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 11.9668 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.75
Fed. Funds	10.0
Treasury Bills (13-week)	9.34
Treasury Bills (26-week)	9.43
GERMANY	
Discount Rate	3
Overnight Rate	3.725
One month	4.025
Three months	4.15
Six months	4.30
FRANCE	
Discount Rate	9.5
Overnight Rate	6.50
One month	6.5625
Three months	6.6875
Six months	6.75
JAPAN	
Discount Rate	3.5
Call (Unconditional)	4.75
Bills Discount Rate	4.625

Post Office launches coin-op Prestel service

A COIN-OPERATED version of Prestel, the Post Office's telephone information service which enables subscribers to obtain data on a television screen covering a wide variety of topics, has been introduced for use in hotels, clubs, airport lounges, and similar locations.

The Prestel service is under trial and there are about 500 installations so far. More than 100,000 pages (that is, screens-full) of information are held on the central computer and there are already 150 information-providing companies.

The unit, developed by a Swedish amusement machine manufacturer, allows 10p or 50p coins to be inserted, after which instructions appear on the screen telling the user how to proceed. It is operated by pressing buttons on a key pad.

First installation is at the Piccadilly Hotel in London.

Free school meals total exceeds 1m

THE NUMBER of children receiving free school meals in England last year because of low family income rose above a million for the first time.

The annual check in October disclosed that 1,074,000 children —13.9 per cent of all attending school in England—were receiving free meals, Miss Margaret Jackson, Parliamentary Under Secretary for Education said in a Commons written reply.

Eastern water rate rise curbed

THE ANGLIAN Water Authority is to use a £13½m surplus to keep down increases in water and sewerage rates from next April. The authority, which has more than 4m consumers between the Humber and the Thames, needs an extra £20m for next year's expenditure which must be found either from the balances or from an increase in charges.

The sum represents about 15 per cent of the present income, but the authority has agreed to increase charges from April by amounts equivalent to an overall increase of 7 per cent and to meet the rest of the needs from balances.

Shore approves hypermarket plan

PLANNING PERMISSION for a 115,000 sq ft hypermarket to be built at Littlepark, Havant, Hampshire, has been granted by Mr. Peter Shore, the Environment Secretary.

The hypermarket will be on a 25-acre site, near the A3(M) and will be operated by the Portsea Island Mutual Co-operative Society. It will have a restaurant, filling station and parking for 1,200 cars.

Wall St. narrowly up at midday on firmer $

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—92¾% (92½%)
Effective $1.9930 47¾% (48%)

NEW YORK stocks were sliding *in moderate trading but remained* narrowly higher, helped by a firmer dollar and some hope that *interest rates may be near their* peak. However, investors continue to worry that inflation may accelerate in the first half of the current year.

Closing prices and market reports were not available for this edition.

The Federal Reserve's chairman said he considered President Carter too optimistic in forecasting a 7.4 per cent inflation rate for 1979. The U.S. Labor Department reported consumer prices rose 0.6 per cent in December against 0.5 per cent in November.

The Dow Jones Industrial Index added 1.39 to 847.80 and gains led losses about seven to five on a volume of 12m. issues. The Transport Index rose 0.53 to 217.76 and Utilities advanced 0.68 to 103.35.

A number of big oil companies gained on reports of higher fourth quarter profits. **Exxon** added 50 cents to $50, Standard Oil Company (Ohio) 50 cents to $43½ and **Mobil** 50 cents to $69¾. **British Petroleum** which holds *52 per cent of Sohio, added ¼ to* $17¼.

Active **Bally Manufacturing** rebounded $2¼ to $53⅞ after a more than five point fall on Wednesday. A Federal Grand Jury has subpoenaed some of its documents in an investigation of the slot-machine industry.

General Electric picked up 25 cents to $49¾ after reporting higher December quarter profits. **Digital Equipment**, whose fiscal second quarter net gained, slipped 25 cents to $54½.

Ticor lost $1¼ to $21¾. The company agreed to merge with *Pennsylvania Life Corp. in an* exchange of stock.

Del Monte climbed $1½ to $47½. **R. J. Reynolds** said the Federal Trade Commission would not oppose its planned acquisition of **Del Monte. Reynolds** gained $1¾ to $58½.

American Stock Exchange prices gained in moderate trading. The Amex index rose 0.68 to 161.07 on a volume of 1.23m shares.

Syntex topped the active list again, rising $1½ to $37¾. The company has received U.S. approval to sell its polycon contact lens.

Glenmore Distilleries B lost 75 cents to $23¼ on top of a five point loss on Wednesday. It reported higher fiscal second quarter net and raised the dividend *and could not explain the* drop. **Bowmar Instrument** added 50 cents to $4¼ but **Amdahl** slipped 25 cents to $46¾ despite *reporting higher fourth quarter* earnings.

Canada

Canadian share prices were generally higher in active midday trading as the market followed New York's positive lead. The Toronto Industrial Index rose 2.2 to 1,370.9 and volume rose to 2,883,150 shares from 1,882,467 shares at noon on Wednesday. **Metals and Mining** *put on 4.7 to 1,231.8 but the* Golds Index fell over 26 points to 1,539.2. Advances outpaced declines 186 to 137.

Northern Telecom, which rose sharply on Wednesday added 25 cents to $43½, which the company attributed to its higher earnings. **Bell Canada**, which reported higher fourth quarter net, gained ¼ to $63¼ while **Murphy Oil** trimmed 25 cents to $14¾ on lower year results.

In Montreal too stocks were firm with Bank stocks leading a small advance in moderate trading. Eight of the 12 indices advanced but the Composite *Index was only ¼ point higher.* The Banks Index rose more than two points with Royal Bank up ¼ to $41¼. **Bank of Montreal**, the most active issue, added ¼ to $26¼ *on 35,434 shares.*

Tokyo

Shares closed slightly higher in active trading, led by Steels, Vehicles and Heavy Machines. The Tokyo Stock Exchange Index closed at 461.86, up 0.17 and a new high for 1979. Major investment trusts and institutional investors actively bought steel and heavy electric machines attracted by high yields and good business prospects.

Vehicles also rose reflecting active vehicle production programmes this year. **Nissan Motor** rose Y11 to Y690, **Toyo Kogyo** Y15 to Y421, **Honda Motor** Y4 to Y506, **Kawasaki Steel** Y3 to Y137 and **Nisshin Steel** Y5 to Y204.

Foods, Textiles, Non-ferrous Metals and Oils closed mixed after late profit-taking had pared initial gains.

Australia

The market was firmer in active trading led by Mines, especially Copper and Gold stocks. With base *metal prices* higher, and higher prices for Australian shares in London, a considerable volume of metal stocks traded.

Mt. Lyell rose 5 cents to 75 cents, and **MIM** and **BH South** put on a cent to $A3.01 and $A1.55 respectively. **Bougainville** traded 270,000 shares rising to $A1.85. **Central Norseman** rose 50 cents to $A18.50, **Gold Mines of Kalgoorlie** 7 to 97 cents, **Renison** 30 to $A10.60, **Consolidated Gold** 5 to $A3.80 and **Audimco** 3 the 58 cents. However, **CRA** fell 3 to $A3.62. **Comalco** rose 5 cents to $A3, while Banks were all firmer except for **The Wales**.

Retailers firmed following the Federal Government's decision not to impose a retail tax, while *pastoral stocks*, although lightly traded, closed higher.

Paris

Shares eased in calm trading with the announcement of a price inflation rate of less than 10 per cent in 1978 having no impact. **Peugeot-Citroen** fell Frs.18 further to *Frs.420* after its subsidiary **Chrysler France** said it planned temporary lay-offs and redundancies. Banks, *Cars, Stores*, and Electricals lost most ground, while Foods and Constructions weakened slightly.

Engineerings, Hotels, Metals and Oils were mixed, Chemicals scored some gains and in Rubbers **Michelin** slipped to Frs.1,087 from Frs.1,103 after announcing higher dividends.

Germany

German share prices eased across the board, with banks particularly affected. The easier *tone was attributed to the ending* of Swiss non-resident investment controls.

Deutsche Bank eased by DM5 and **Commerzbank** by DM3.80. Against the trend, Insurances continued firm, with **Allianz** gaining DM10. Among other leading shares **VW** lost a relatively *light 70 pfennigs, but* **Siemens** was down DM2.50.

On the domestic bond market public authority issues regained some ground, with some markups by as much as 30 pfennigs and some further discounts up to 60 pfennigs.

Amsterdam

Share prices closed generally lower, with **Hoogovens** unchanged and **Royal Dutch** slightly higher in otherwise easier Dutch Internationals.

Elsewhere shares eased, with **Volker Steven, Bos Kalis, KNSM, Fokker** and **Ennia** among isolated gainers. **Elsevier** and **NDU** both dropped one guilder to Fl 302 and Fl 301 respectively, despite the higher provisional 1978 profits announced in their merger prospectus. **Akzo** closed 70 cents lower at Fl 30.80 and **Philips** lost 20 cents at Fl 24.60.

Brussels

Belgian share prices were mixed in moderate trading. **Electrafina, Vieille Montagne, Wagons-Lits, UCB** and **Tessenderloo**, rose, while **Sofina, Cobepa, Clabecq, Acec, GB, Andre Dumont** and **Arbed** fell. **Petrofina** fell, American Petrofina was unchanged and Canadian Petrofina rose.

Milan

Stocks closed generally lower in slack trading. The market was affected by the possibility of an Italian Government crisis and also by a report published in the daily newspaper La Repubblica, and later denied by **Montedison**, that the company had called an extraordinary meeting to reduce its capital. **Montedison** *shares fell* L9.75 to L185 despite the denial. Most other leading Financial and Industrial shares eased, but **Anic** and **Bastogi** firmed marginally. *Mediobanca lost L340 to L33,010* and **Italcement** fell L390 to L24,120.

Switzerland

Closing prices of stocks were delayed due to heavy turnover following Wednesday's lifting of the foreign investment ban, but they were about 5 per cent above the previous day's levels. Domestic bonds rose on doubled volume and foreign bonds closed slightly higher, although beneath the day's highs on record turnover following the lifting of the foreign investment ban. Rises averaged 3-5 per cent in leading issues. **Ciba-Geigy Bearer** posted a gain of over 10 per cent or SwFr 120 to SwFr 1,290.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◎ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m% tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

† Bid. ‡ Asked. § Traded. ‖ New stock.

BASE LENDING RATES

A.B.N. Bank	12½%
Allied Irish Banks Ltd.	12½%
Amro Bank	12½%
American Express Bk.	12½%
A P Bank Ltd.	12½%
Henry Ansbacher	12½%
Associates Cap. Corp.	12½%
Banco de Bilbao	12½%
Bank of Credit & Cmce.	12½%
Bank of Cyprus	12½%
Bank of N.S.W.	12½%
Banque Belge Ltd.	12½%
Banque du Rhone et de la Tamise S.A.	13 %
Barclays Bank	12½%
Barnett Christie Ltd.	13½%
Bremar Holdings Ltd.	13½%
Brit. Bank of Mid. East	12½%
■ Brown Shipley	12½%
Canada Perm't Trust	12½%
Cayzer Ltd.	12½%
Cedar Holdings	12½%
■ Charterhouse Japhet	12½%
Choulartons	12½%
C. E. Coates	12½%
Consolidated Credits	12½%
Co-operative Bank	*12½%
Corinthian Securities	12½%
Credit Lyonnais	12½%
Duncan Lawrie	12½%
The Cyprus Popular Bk.	12½%
Eagil Trust	12½%
English Transcont.	12½%
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12½%
Greyhound Guaranty	12½%
Grindlays Bank	12½%
■ Guinness Mahon	12½%
■ Hambros Bank	13½%
■ Hill Samuel	§12½%
C. Hoare & Co.	†12½%
Julian S. Hodge	13½%
Hongkong & Shanghai	12½%
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	14½%
Lloyds Bank	12½%
London Mercantile	12½%
Edward Manson & Co.	13½%
Midland Bank	12½%
■ Samuel Montagu	12½%
■ Morgan Grenfell	12½%
National Westminster	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12½%
Rossminster	12½%
Royal Bk. Canada Tst.	12½%
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13½%
Shenley Trust	14 %
Standard Chartered	12½%
Trade Dev. Bank	12½%
Trustee Savings Bank	12½%
Twentieth Century Bk.	13½%
United Bank of Kuwait	12½%
Whiteaway Laidlaw	13 %
Williams & Glyn's	12½%
Yorkshire Bank	12½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%. 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10¼% and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

Brazil soya crop hit by lack of rain

BRAZIL'S TWO main soyabean producing states—Rio Grande do Sul and Parana—are facing serious losses in this year's crop unless they receive heavy rain in the next week.

Some areas have had no rain now for more than a month and producers are already talking of a repeat of last year, when the crop was hit by prolonged dry weather at this critical phase in its development.

Parts of Rio Grande do Sul received some rain on Tuesday, but it was not enough to save the soya crop entirely. The most optimistic estimate of possible losses is 10 per cent, which would mean a total yield of 5.4m tonnes out of a forecasted 6m at the beginning of the year.

However, some growers are putting the loss as high as 20 or even 30 per cent, bringing the crop down to 4.8m or 4.2m tonnes.

Parana has so far received no rain, and producers in the area predict losses of around 20 per cent of the state's estimated 5m tonnes bringing its total down to 4m. tonnes.

Though last year's reduced crop brought high prices, many growers remained in debt to the Bank of Brazil. They planted more soya this year in the hope of repaying those debts.

UK sugar beet losses

By A Correspondent

SUGAR BEET growers in the West Midlands say they stand to lose more than £1m because of the disastrous effect which the frost has had on their crop.

They fear that 60,000 tonnes of beet, still frozen in the fields or deteriorating in storage clamps, will be useless for sugar making.

Mr. Colin Pardoe, a former member of the NFU's national sugar beet committee, said: "We are in dire straits. The situation is very grave. The weather is still dead against us and I stand to lose £14,000 myself."

Russian timber offer taken up

By A Correspondent

THE FIRST OFFER of Russian softwood for 1979 shipment has been eagerly taken up by UK timber importers. The nominal offering of 450,000 cubic metres has been over-subscribed several times, despite prices being on average 12 per cent higher than last year.

Coffee market shrugs off Colombian export boost

BY RICHARD MOONEY

LONDON COFFEE traders yesterday shrugged-off news of a Colombian price move aimed at boosting coffee exports.

The Colombian Monetary Board announced on Wednesday evening that it had reduced the amount coffee exporters must deposit with the Central Bank from $259 to $243 for every 70-kilo bag shipped.

This announcement, which means that Colombian exporters should be able to offer coffee for export at lower prices, prompted an overnight fall on the New York market. This led to a £20 decline in nearby London futures quotations yesterday morning.

Prices recovered quickly in the afternoon, however, and March delivery coffee ended the day £3 higher at £1,370.5 a tonne.

Dealers explained that technical considerations have been outweighing the underlying "bearish" tone of the market for some time and that the market had apparently decided, after due consideration, to disregard the Colombian news.

It also appeared to have brushed aside news that Brazil has decided not to adjust the export tax on coffee to take account of Wednesday's 2.509 per cent devaluation of the Cruzeiro. This means that Brazilian coffee could be a dollar or two cheaper on the world market.

Such considerations are largely academic on the London market where physical trading has been virtually moribund for some time. And the London robusta terminal market is only affected indirectly.

Colombia's aggressive selling policy has made life very difficult for the Central American coffee producers recently. Most Colombian coffee is exported through direct deals under which discounts are offered on the basic price.

The size of these discounts is linked to the average of the arabica and robusta indicator prices.

If the Central Americans reduce their prices in an attempt to compete with Colombia the robusta/arabica average is reduced and the Colombian discounts get bigger, which tends to defeat the object.

The other approach, which many dealers believe has actually been adopted, is to force up the price of robustas by the use of their much-publicised $140m price support fund, thereby raising the average and reducing the Colombian discounts.

This policy is believed to be responsible for the premium of more than £300 a tonne which January robustas are currently commanding on the London futures market.

Supply squeeze fears boost tin

BY JOHN EDWARDS, COMMODITIES EDITOR

LEAD AND silver prices reached new peaks on the London metal markets yesterday, and copper moved to new 20-month highs.

But main interest on the London Metal Exchange was centred on tin, where prices moved up strongly for the second day in succession following reports of a shortage in the U.S. as result of a dearth of shipments in February.

Standard grade cash tin jumped by £110 to £6.958 a tonne due to some heavy buying by U.S. interests in the afternoon, and an overnight rise in the Panang market which was also boosted by strong demand prior to the closure for the Chinese New Year holiday.

It is anticipated that shipments already due to come into London Metal Exchange warehouses could now be switched to the U.S. and reduce European supplies to an even lower level. The cash price premium over the three months quotation widened again, particularly for high-grade tin.

The upward trend was encouraged by the Bolivian Mining Minister's comment that Bolivia would be unable to maintain its output at current levels as a result of rising production costs.

However always lurking in the background is the prospect of further moves to secure releases of surplus tin from the U.S. strategic stockpile. Should a real scarcity develop again in the U.S. pressure would build up for Congress to approve stockpile tin releases.

Forecasts of another big fall in warehouse stocks pushed copper prices up again. The predictions of the stocks decline this week varied from 10,000 to 22,000 tonnes leading to volatile price movements. But eventually cash wirebars closed £6 higher at £867.5 a tonne.

News that a U.S. Senator plans to re-introduce a Bill enabling the purchase of copper for the stockpile was another bullish influence; so was the sudden rally in silver prices which helped to lift the New York copper market that had been drifting lower in early trading.

The sharp rally in silver prices, which had been easing following a decline in gold, was attributed to a large fall in New York market stocks of 1.55m ounces. Silver stocks held by the U.S. markets have fallen steadily in the past few months.

Free market platinum also defied the downturn in gold. The London afternoon price was fixed at a new sterling peak of £191.65 an ounce, £1.65 higher, while the dollar quotation rose by $2 to $382.

Copper rise predicted

JOHANNESBURG — Mr. H. F. P. Grenfell, Messina (Transvaal) Development chairman, said he expects firmer copper prices over the next few months.

He said, however, that during the second half of the year "the present, excelent consumption" in the U.S. could be interrupted.

Mr. Grenfell noted a probable deficit between world production and consumption in 1978 of between 300,000 and 350,000 tonnes and said be expects demand to continue exceeding supply during the next 12 months.

But, he pointed out that although there is already evidence of a shortage of high quality cathodes which presently command a premium in the market, copper stocks are still at high levels by historical standards. Reuter

Prices plea from new farm chief

By Christopher Parkes

IF FARMERS are not given adquate prices for their produce, output of essential foodstuffs will begin to fall, Mr. Richard Butler, the new president of the National Farmers' Union warned yesterday.

Mr. Butler, Essex farmer son of Lord "Rab" Butler, making his first statement after taking over from Sir Henry Plumb who held the presidency for nine years, said his primary concern would be to close the gap between the prices paid to British farmers for their produce and those paid to their EEC counterparts.

Mr. Butler, aged 50, runs a 1,850-acre arable and grass farm at Halstead in partnership with his wife, daughter and two sons. At current market prices his estate is believed to be worth more than £3m.

Deputy president is Mr. Tom Boden, of Uttoxeter, Staffordshire, a livestock farmer with long experience of dealing with politicians. He has been vice-president of the union for two years.

The NFU council also elected Mr. Alan Jackson, a 51-year-old dairy producer and grain grower from Ponteland, Newcastle-upon-Tyne, as vice-president.

U.S. futures agreement with Swiss

WASHINGTON — The U.S. Commodity Futures Trading Commission (CFTC) has reached agreement with the Swiss Government on foreign involvement in U.S. commodity markets.

In an official statement the CFTC said, "that appropriate procedures and co-operation had been developed so that the Commission could continue to obtain necessary information from foreign traders in Switzerland to carry out its regulatory supervision of U.S. futures markets."

CFTC executive director Mr. Donalt Tendick and Mr. Frederick Spindel of the general counsel's office said that meetings last week with Swiss Government officials were productive.

"Tendick and Spindel also visited the London Metals Exchange and the London Commodity Exchange to learn about operations of those markets," the CFTC said. Reuter

UK FARMING

Coping with the cold weather blues

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AS A firm believer in old sayings concerning the weather I was heartened by the hard frosts of November. The ice was well able to bear ducks or even heavier creatures, and everyone knows that November frosts of that magnitude mean that the later winter will be mild.

But this year must be the exception. Since the New Year there have been the heaviest frosts for many years together with snow and occasional slow thaws. Plus the misery of industrial action.

On my own farm in Hampshire some fields have been either frozen or snow-covered for more than a month now. The winter grazing has completely disappeared, and the sheep are being fed a full winter ration of hay, supplemented by oats, a good three or four weeks earlier than is normally the case.

Feeding the ewes at this stage of their pregnancy is essential. Their unborn lambs are beginning to make increasingly heavy demands on their systems. If the ewes do not receive enough nourishment they provide it from their own bodily reserves, and so lose condition.

If they are in poor condition when they lamb they don't milk and so the lambs will starve. In extreme cases the ewes reabsorb the lambs already conceived, and this is believed to account for the very low lambing percentages among hill sheep.

The change-over to heavier feeding is the most critical time. Ewes in general prefer grass if they can get it, and if the change is too abrupt they suffer from various metabolic disorders. The most common is pregnancy toxaemia, which has been known under a variety of names for a long time.

Twin lamb disease; snow blind, and dunt are some of the commonest. Generally the symptons are those of coma. The ewes lag behind the flock, are blind and often abort in the later stages, usually with twin lambs. The cause is entirely nutritional and can be controlled—but it is not really cured by diet, because by the time the sypmtons are apparent it is already too late, and the cures are not yet very good.

It used to be though that the cause was lack of exercise because the ewes hung around the feed instead of foraging. To try to avoid this we feed the grain in one corner of the field and the hay in another, so that they have to move around. But as some farmers keep ewes successfully under cover for most of the winter, feeding is obviously critical.

There appear to be sufficient stocks of hay and other forage already on farms in most parts. Hay and straw prices are still comparatively low. Thanks to the long, dry autumn most outlying cattle and sheep, unless actually overwhelmed by snow, should be surviving well.

In the case of my other main livestock interest, the pig herd, supplies of straight feed still seem to be available, and should last for some time yet without having to alter formulations too much. This appears to be the general picture.

The frost, though, has caused one endless trouble. Even if the buildings have been fairly well insulated, the very cold winds of a fortnight or so ago made the frost penetrate to some very unlikely places.

I have planted an increasing acreage of winter barley which, added to the wheat, means that four-fifths of my acreage is already in the ground. So far the weather does not appear to have harmed any of it when I have walked over it during the few times when it was actually unfrozen. There have been some alarmist statements about plant losses but both wheat and winter barley have been bred to be winter hardy. I would be surprised if they have suffered.

No harm will have been done if the frost goes out in the next fortnight, but my blood pressure will begin to rise if we can't get on the land by mid-February.

This is because although I haven't much to plant, there is a lot of top-dressing with nitrogen and spraying programmed, and working on wet land does make a mess. My only real anxiety concerns grass leys sown last autumn.

Some of the germination was much delayed by the drought, and on examination some of the young plants seem to be lifting.

Should the frost go out dry they could be killed, as I have seen before, but if it should be very wet they will probably survive. It will make all the difference between a good thick plant and a poor one.

This is crucial. The ewes start lambing at the end of February. While they do live quite well up until lambing they progress much better on grass than on dry feed once they have their lamb at foot, and much more cheaply too.

Farming showpiece in West Berlin

BY LESLIE COLLITT IN BERLIN

DESPITE THE oddity of having several operating farms within its well-guarded borders, West Berlin would appear to have little to offer European agriculture.

Yet each year agriculture ministers, food and drink producers and wholesalers as well as more than 600,000 German consumers converge on the traditional Green Week Agricultural Show that opens tomorrow and runs for ten days.

The nature of the show has changed radically since the early post-war years when East German farmers came over for a first-hand look at the progress of Western farming. Now 35 countries have exhibits at the sprawling exhibition grounds and the Green Week reflects the importance of West Germany as both an importer and exporter of agricultural products.

During the show West Berlin turns into a test market for many foreign exporters of food.

The Berliners who crowd the halls and pay fancy prices for stand-up snacks are taken as a barometer of German consumer tastes and many exhibitors say this is what makes the whole exercise so valuable.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer on the London Metal Exchange although below the day's highest levels. Forward metal rose to the day's high of £893 on the pre-market, reflecting the strong performance on Comex overnight. Thereafter the market traded erratically with heavy selling in the rings depressing forward metal to around £881 on the morning kerb. A lower than expected opening on Comex saw the price fall further to £877 but it then picked up quickly in the wake of the silver market to touch £887 at the close of kerb trading. Turnover 19,900.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	866-7	+6	867-8	+6
3 months	886-.5	+7.75	886.5-7	+7
Settl'm'nt	867	+6	—	......
Cathodes				
Cash	854-.5	+7.25	855-6	+8.25
3 months	874-.5	+8.25	875-.5	+8.25
Settl'm'nt	854.5	+7	—	......
U.S. Smt.	—	......	*75-5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £867, 68.5, three months £890, 89, 88, 89, 88.5, 88, 87, 86.5, 86, 86.5, 87, 86.5, 86. Cathodes, cash £854.4, 54, three months £874.5, 74. Kerb: Wirebars, three months £886, 86, 83, 84, 83.5, 84, 83. Afternoon: Wirebars, cash £868, three months £882, 83, 82.5, 83, 83.5, 84, 85, 86, 86.5, 87, 87.5, 88, 87.5, 87. Cathodes, three months £876. Kerb: Wirebars, three months £887, 86.5, 86, 85, 83, 84, 84.5, 85, 84.5, 84, 83.5, 84.5, 86, 87.

TIN—Gained further ground as renewed physical demand, chartist buying and short-covering coupled with the rise in the Penang market pushed forward metal up from £6,840 to the day's high of £6,920 prior to a close of £6,900 on the late kerb. Turnover 2,480 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	6940-50	+40	7000-20	+127½
3 months	6900-10	+60	6930-50	+85
Settlem't	6950	+40	—	......
Standard				
Cash	6920-5	+25	6980-90	+110
3 months	6870-80	+32.5	6915-20	+82.5
Settlem't	6925	+25	—	......
Straits. E.	‡$1760	+9	—	......
New York	—	......		......

Morning: Standard, cash £6,920, 25, three months £6,860, 70, 65, 70, 75. Standard, three months £6,870. Afternoon: Standard, three months £6,8[illegible] 70, 80, 90, £6,900, £6,920, 10, 15. Kerb: Standard, three months £6,900, £6,910, 15, 20, 25, 10, £6,900, £6,880, £6,890.

LEAD—Strong in line with other base-metals. Forward metal moved up from £492 to £495 on the pre-market but eased back to £488, reflecting the downturn in copper and a lower Comex. However, towards the close the price picked up on renewed buying to close around the £490 level. Turnover 6,650 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	
Cash	530-1	+14	530-1	+15
3 months	490.5-1	+11½	490.5-1	+8.5
Sett'ment	531	+14	—	......
U.S. spot	—	......	*40.42	......

Morning: Cash £528, 27, 30, three months £493, 93.5, 94, 92, 89, 90. Kerb: Three months £489, 88, 88.5, 87, 88. Afternoon: Cash £531, three months £488, 87, 87.5, 88, 89, 90, 91, 92, 91. Kerb: Three months £490, 91, 90.5, 9., 89, 88, 89.

ZINC—Easier on balance. Forward metal rose to £386 on the pre-market following the strong gains in other metals. However, profit-taking depressed the price to around £379 on the morning kerb before a late rally prompted a close of £382.5 on the late kerb. Turnover 7,925 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	369-.5	−2	368-9	−2.5
3 months	382-.5	−1.5	381-.5	−2.25
S'ment	369.5	−2	—	......
Prim.west	—	......	*34.5-35	......

Morning: Three months £846, 45, 44.5. Kerb: Three months £842. Afternoon: Three months £846.

ALUMINIUM—Barely changed. Forward metal moved up to £648 on the pre-market, reflecting the trend in other metals but eased back to £642 before closing on the late kerb at £646. Turnover 3,000 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£		£	
Spot	643-4	+2	642-3	−2
3 months	644-.5	+1	645.5-6	+.5

Morning: Cash £372, 70.5, 70, 69.5, three months £384, 84.5, 84, 83.5, 83, 82. Kerb: Three months £381, 79, 7?, [illegible] Afternoon: Three months £381, 80, 81. Kerb: Three months £380.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 6.3p an ounce higher for spot delivery in the London bullion market yesterday at 327.4p. U.S. cent equivalents of the fixing levels were: spot 653.2c, up 12.2c; three-month 664.4c, up 12.7c; six-month 676.7c, up 12.9c; and 12-month 701.9c, up 12.7c. The metal opened at 325-328p (649½-655c) and closed at 330.4-331.4p (658½-659½c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. close	+ or −
Spot	327.4p	+6.3	331.4p	+5.5
3 months	337.15p	+6.45	339.85p	+5.8
6 months	344.1p	+6.55		......
12 months	359.1p	+6.55		......

LME—Turnover 357 (270) lots of 10,000 ozs. Morning: Three months 338, 37.8, 37.5, 36, 36.3, 36.2, 35.9, 35.8, 36. Kerbs: Three months 336.2, 36, 35.8, 35.9, 36. Afternoon: Three months 338, 38.2, 38.5, 39, 39.1, 39.2, 37.6, 38, 38.4, 38.3, 38.5, 39, 39.3, 39.5, 39.9, 40, 40.4, 40.5, 40.4.

COCOA

Cocoa futures eased a further £25 during the morning session but short covering later in the day helped prices to close marginally lower than last night's levels, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
March	1778.5-80.0	−24.0	1752.0-1721
May	1775.5-74.0	−12.5	1784.0-1762
July	1781.0-82.0	−8.5	1815.0-1783
Sept	1821.5-22.0	−10.75	1837.0-1805
Dec	1858.0-59.0	−10.0	1870.0-1842
March	1883.0-81.0	−10.0	1890.0-1855
May	1900.0-02.0	−11.0	1895.0-1850

Sales: 4,570 (5,004) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price for Jan. 24: 157.43 (160.84). Indicator prices for Jan. 25: 15-day average 167.95 (171.62); 22-day average 170.84 (171.62).

COFFEE

ROBUSTAS opened sharply lower due to general trade selling particularly in the January position, Drexel Burnham Lambert reported. In the afternoon the market rallied sharply on heavy buying from one particular house. Commission House stop-loss covering gave additional impetus to the rise but trade selling at the highs eroded gains somewhat towards the close. Final values were unchanged to slightly higher on balance.

COFFEE	Yesterday's Close £ per tonne	+ or −	Business Done
January	1666-1667	−07.0	1678-1646
March	1370-1371	+03.0	1380-1345
May	1261-1262	+05.0	1270-1240
July	1201-1203	+04.5	1215-1185
September	1157-1160	+0.40	1165-1140
November	1118-1120	+02.0	1125-1105
January	1093-1095	+04.0	1100-1085

Sales: 3,273 (3,464) lots of 5 tonnes. ICO Indicator prices for Jan. 24 (U.S. cents per pound): Colombian Mild Arabicas 180.00 (185.00); unwashed Arabicas 136.00 (same); other Mild Arabicas 124.67 (127.67); Robustas ICA 1976 134.00 (same); Robustas ICA 1968 134.50 (same). Daily average 131.47 (131.53).

GRAINS

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or −	Yesterday's close	+ or −
Mar.	93.00	−0.75	87.05	−0.50
May	95.70	−0.75	89.55	−0.50
Sept.	90.20	−0.25	84.20	−0.15
Nov.	93.15	−0.25	87.15	−0.15

Business done—Wheat: March 93.85-92.90, May 95.50-95.75, Sept. 90.30-90.20, Nov. 93.30-93.10. Sales 179. Barley: March 87.45-87.05, May 89.95-89.55, Sept. 84.25-84.20, Nov. 87.15-87.15. Sales 242.

HGCA—Location ex-farm spot prices. Other milling wheat: N. Lincoln 91.00. Feed barley: N. Lincoln 83.40, Hants. and W. Sussex 82.10.

The UK monetary coefficient for the week beginning January 29 will remain unchanged.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Jan., Feb., March 91.25 transhipment East Coast. April, May 87.00 Tilbury. U.S. Hard Winter 13½ per cent Jan., Feb., March 87.25 transhipment East Coast. EEC unquoted. Maize: U.S./French Jan., Feb. 110.50 transhipment East Coast. S. African White Jan. 69.00. S. African Yellow Jan. 69.00. Barley: English feed fob March 91.00, Feb. 89.75 paid East Coast.

RUBBER

STEADIER opening on the London physical market. Good demand throughout the day, closing on a firm note. Lewis and Peat reported the Malaysian godown price was 236 (235) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Feb.	57.85-57.90	56.95-57.00	57.90-57.60
Mar.	58.55-58.60	57.70-57.75	58.55-58.25
Apr-Jne	60.00-60.10	58.90-59.05	60.10-58.30
Jy-Sept.	61.95-62.00	60.95-61.00	62.00-60.90
Oct-Dec	63.95-64.00	62.95-63.00	63.95-62.75
Jan-Mar	66.08-66.10	64.85-65.10	65.90-65.00
Apr-Jne	68.05-68.30	67.10-67.15	68.25-67.75
Jy-Sept.	70.25-70.40	69.25-69.30	69.40
Oct-Dec	72.20-72.25	71.50-71.35	72.25-72.00

Sales: 18 (44) lots of 5 tonnes: 1,222 (497) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 56.75p (56.25); March 58.75p (58.25); April 59.25.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 212 tonnes bringing the total for the week so far to 936 tonnes. Mixed operations indicated some freer involvement among spinners. Activity centred on Middle Eastern growths including Russian and Turkish.

★

GRIMSBY FISH—Supply poor, demand moderate. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.50, codlings £3.60-£4.00; large haddock £5.00-£5.40, medium £4.00-£4.50, small 3.50-£3.80; large plaice £4.20-£4.30, medium £4.20-£4.30, best small £4.00-£4.40; large skinned dogfish 9.00, medium £6.50; saithe £2.40-£2.80.

PRICE CHANGES

Price in tonnes unless otherwise stated.

	Jan. 25 1979	+ or −	Month ago
Metals			
Aluminium	£710	....	£710
Free market (c/s)	$1,270/80	....	$1,200/20
Copper cash W Bar	£867.5	+6.0	£777.5
3 months do. do.	£886.75	+7.0	£793.25
Cash Cathode	£855.5	+8.25	£762.25
3 months do. do.	£875.25	+8.25	£780.25
Gold Troy oz.	$235.375	−1.5	$213.575
Lead cash	£530.5	+15.0	£420.25
3 months	£490.75	+8.5	£400.75
Nickel	‡	....	‡
Free Market(cif)(lb)	$1.60 1.72	....	$1.64 1.76
Platinum troy oz.	£152	....	£156
Free Market	£191.65	+1.65	£172.90
Quicksilver	$210/20	....	$152/57
Silver troy oz.	327.4p	+6.3	298.85p
3 months	359.1p	+6.55	305.1p
Tin cash	£6,985	+110.0	£5,905
3 months	£6,917.5	+82.5	£6,847.5
Tungsten (z)	$144.29	....	$145.56
Wolfram 22.04 cif	$124/29	−2.0	$134/40
Zinc cash	£368.5	−2.5	£340.5
3 months	£381.25	−2.25	£350.75
Producers	$760	....	$720
Oils			
Coconut (Phil)	$990r	....	$920
Groundnut	‡	....	‡
Linseed Crude	£362	+4.0	£336
Palm Malayan	$645v	+6.0	$610
Seeds			
Copra Philip	$680r	....	$620
Soyabean (U.S.)	$291s	....	$289
Grains			
Barley			
Home Futures	£89.55	−0.5	£85.8
Maize			
French No. 3 Am	£110.5q	....	£107
Wheat			
No. 1 Red Spring	‡	....	£95.5
No. 2 Hard Winter	£87.25q	....	£87.25
English Milling †	£93.5w	....	£93.5
Other Commodities			
Cocoa Shipment	£1,795	−18.0	£2,000
Future May	£1,775.5	−12.5	£1,949
Coffee Future Mar.	£1,370.5	+3.0	£1,284.5
Cotton 'A' Index	75.9c	−0.2	78.25c
Rubber kilo	56.75p	+0.5	57p
Sugar (Raw)	£93	....	£89
Wooltops 64s (kilo)	268p	....	270p

* Nominal. † New crop. ‡ Unquoted. n Jan.-March. q Jan.-Feb. r Feb.-March. s March. t Feb. v March-April. x per ton. z Indicator.

SOYABEAN MEAL

	Yesterday Close £ per tonne	+ or −	Business Done
February	128.00-29.0	−2.40	128.50
April	125.70-25.8	−2.10	127.70-25.40
June	122.90-24.2	−1.65	124.10-24.00
August	124.00-24.7	−1.40	124.00
October	125.00-25.5	−1.50	—
December	128.00-25.0	−1.0	—
February	120.10-25.5	−0.7	—

Sales: 49 (121) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar) £93.00 (same) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £95.00 (£96.00).

The market opened around overnight levels and prices were little changed thereafter throughout the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	100.90-00.95	101.40-01.50	101.75-00.00
May	104.00-04.10	104.50-04.60	104.50-03.50
Aug.	108.15-08.20	108.70-08.80	08.75-07.50
Oct.	111.55-11.40	111.80-12.00	12.00-10.60
Dec.	114.50-14.40	114.50-14.85	14.25-14.15
March	119.55-19.30	119.50-19.50	19.50-18.90
May	121.50-22.00	122.05-22.25	—

Sales: 1,943 (1,648) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £164.00 (£165.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Jan. 24: Daily 7.44 (7.42); 15-day average 7.59 (7.61).

WHITE SUGAR—Close (in order buyer, seller, business, sales). April 98.00, 98.50, 98.25-98.00, 42; July 104.25, 106.00, 104.50, 1; Sept. 110.40, 10.50, 110.75-110.00, 102; Nov. 116.00, 116.50, 116.00, 10; Feb. 121.00, 123.50, 123.00, 21; April 127.00, 127.50, 127.50, 11; July 131.00, 133.00, nil, nil. Sales: 187.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 349.5, 349.8, 349.8-349.5, 18; May 355.0, 356.0, 357.6-357.0, 10; July 362.5, 363.0, 363.0-362.5, 6; Oct. 365.0, 365.4, 365.0-365.0, 17; Dec. 369.0, 369.8, 369.2-369.2, 6; March 372.0, 373.5, 373.0-373.0, 6; May 374.0, 377.0, 374.5-374.5, 6; July 376.0, 378.0, nil, nil. Sales: 69.

LONDON GREASY—Close (in order buyer, seller): March 210.0, 214.0; May 215.0, 220.0; July 217.0, 225.0; Oct. 230.0, 238.0; Dec. 231.0, 240.0; Feb. 234.0, 244.0; May 235.0, 244.0; July 236.0, 247.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): March 180.0, 184.0; May 183.0, 186.0; July 184.0, 188.0; Oct. 187.0, 190.0; Dec. 190.0, 194.0; March 191.0, 195.0; May 193.0, 199.0; July 193.0, 199.0. Sales nil.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Eire hindquarter 80.0 to 84.0, forequarters 42.0 to 45.0.

Veal: English fats 74.0 to 85.0, Dutch hinds and ends 98.0 to 103.0.

Lamb: English small 54.0 to 66.0, medium 54.0 to 62.0, heavy 52.0 to 58.0; Scotch medium 52.0 to 62.0.

Pork: English, under 100 lbs 36.5 to 46.0, 100-120 lbs 36.0 to 45.0, 120-160 lbs 35.0 to 42.0.

Partridges: Young (each) 180.0 to 200.0.

Pheasants: Best (per brace) 300.0. 4.50-7.50; Spania: Trays 30/4/45 1.80-

MEAT COMMISSION—Average fatstock prices at representative markets on January 25. GB—Cattle 72.24p per kg lw (−0.76). UK—Sheep 139.5p per kg est dcw (−1.5). GB—Pigs 63.7p per kg lw (−0.9). England and Wales: Cattle numbers down 26.0 per cent, average price 72.83p (−0.74). Sheep numbers down 11.9 per cent, average price 139.7p (−1.7). Pig numbers down 7.8 per cent, average price 63.7p (−0.9). Scotland: Cattle numbers down 26.1 per cent, average price 70.39p (−0.80). Sheep numbers down 26.1 per cent, average price 127.9p (−0.5).

COVENT GARDEN: Prices in sterling per package except where otherwise stated. Imported Produce: Lemons—Italian: 120s new crop 5.00-5.25; Cyprus: Trays 4.50-5.00, Boxes 80/180s 4.50-7.50; Spania: Trays 30/40/45 1.80-2.00, boxes 4.00-4.50. Oranges—Spania: Navel/Navelines 3.60-4.20; Egyptian: Baladi 2.50-2.80; Israeli: Shamouti 3.70-4.80. Sevilles—Spanish: 4.00-4.50. Clementines—10 kilos Cyprus: 3.20-3.60; Corsican: 2.80-4.00. Satsumas—Spania: Trays 2.50-3.00. Grapefruit—Texas: Red Blush 4.50-4.60; Cyprus: 2.40-3.80; Israeli: Jaffa 40/88 3.55-4.05. Apples—French: Stark Crimson 40-lb 138/163s 5.00-5.50, Golden Delicious 20-lb 72s 2.20-2.60, 84s 1.90-2.00, 40-lb 138/175s 3.80-4.40, jumble pack, per pound 0.08, Granny Smith 20-lb 72s 2.50, 84s 1.90-2.10, large boxes 138/150/163 4.20-4.80, jumble pack 55/60mm per pound 0.07. Peaches—S. African: 23/28s 2.40-2.80. Apricots—S. African: Per pound 0.40-0.45. Bananas—Jamaican: Per pound 0.15. Grapes—Spanish: Almeria 2.50-2.80; Californian: Red Emperor 20/23 lb 7.00. Avocados—Israeli: 3.80-4.00.

English Produce: Potatoes—Per 25 kilos 1.60-2.00. Lettuce—Per 12 round 1.60-1.80. Mushrooms—Per pound 0.45-0.50. Apples—Per pound Bramley 0.05-0.11; Cox's Orange Pippin 0.06-0.15; Spartan 0.07-0.09. Pears—Per pound Conference 0.08-0.14, Comice 0.20-0.23. Cabbages—Per net 1.60-1.80. Beetroot—Per 28-lb 0.90. Carrots—Per 28-lb 1.00-1.20. Onions—Per bag 1.80-2.30. Rhubarb—Per pound 0.15-0.17. Swedes—Per 28-lb 1.20-1.30. Turnips—Per 28-lb 1.10-1.20. Parsnips—Per 28-lb 1.50-1.80. Sprouts—Per pound 0.09-0.12.

AMERICAN MARKETS

NEW YORK, Jan. 25.

Copper—Jan. 75.25 (75.95), Feb. 75.40 (76.10), March 75.90, May 77.00, July 77.85, Sept. 78.65, Dec. 79.15, Jan. 79.45, March 79.85, May 80.25, July 80.65, Sept. 81.05.

¶Silver—Jan. 660.00 (665.80), Feb. 661.50 (658.30), March 666.10, May 672.30, July 679.70, Sept. 687.10, Dec. 699.50, Jan. 703.90, March 712.40, May 721.30, July 730.20, Sept. 739.20. Handy Harman spot 666.00 (655.50).

CHICAGO, Jan. 25.

Lard—Chicago loose 24.25 (24.50). New York prime steam 26.38 traded.

‡‡Maize—March 234-234¼ (235), May 243¾ (244), July 248½, Sept. 250-250¼, Dec. 253½, March 261.

Plywood—Jan. 21.14 (21.40), May 21.10 (21.30), July 21.04, Sept. 20.78, Nov. 20.45 asked, Jan. 20.45 asked, March 20.45 asked.

Pork Belly—Feb. 63.10 bid-63.40 (61.57), March 62.30-62.40 (60.57), May 62.65-62.70, July 62.50-62.70, Aug. 60.90. Sales: 7,193.

Shell Eggs—Feb. 57.50 (57.85), March 55.90 (55.90), April 51.75, May 50.20, Sept. 58.00, Sales: 119.

Silver—Jan. 656.5 nom. (655.8), Feb. 658.0-659.0 (657.3), March 665.5, April 668.6-670.0, June 677.0, Aug. 685.0, Oct. 692.7, Dec. 701.0, Feb. 709.0, April 717.0, June 725.5, Aug. 734.0, Oct. 743.0, Dec. 752.0, Feb. 761.0, April 770.0, June 778.6.

Soyabeans—March 708-709 (704), May 718-719 (714½), July 727½-726, Aug. 722, Sept. 695, Nov. 682-681½, Jan. 690, March 698¾.

||Soyabean Meal—March 191.10-191.20 (190.20), May 192.80-193.00 (191.80), July 193.80-193.90, Aug. 194.20, Sept. 193.50, Oct. 191.00-191.50, Dec. 190.50, Jan. 190.50 nom.

Soyabean Oil—March 25.38-25.35 (25.21), May 25.53-25.55 (25.29), July 25.56-25.57, Aug. 25.80, Sept. 24.85, Oct. 24.15, Dec. 24.05, Jan. 23.95, March 23.90-23.85.

*Wheat—March 350¾-351¼ (352), May 333-332¾ (333¾), July 319¾, Sept. 322½, Dec. 333-332¾, March 341½ nom.

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. || New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 59-lb bushel in store. †† Cents per 24-lb bushel. ‡‡ Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ¶¶ C$s per tonne.

EUROPEAN MARKETS

ROTTERDAM, Jan. 25.

Wheat: U.S. No. 2 Dark Hard Winter 13.5 per cent mid-Jan./mid-Feb. $156, Feb. $156, March $156. U.S. Hard Winter wheat ordinary Feb. $155, March $153.

Maize: U.S. No. 3 Corn Yellow AFL $123.50, Jan. $122.75, Feb. $121.75, March $119, April-June $117.25, July-Sept. $117.25, Oct.-Dec. $117.

Rye: U.S. No. 2/Canadian Western April-May $111.

Oats: Norwegian—Feb. $107, 2/40 U.S.—unquoted. U.S./plate—Jan.-Feb. $93, Feb. $96, Feb.-March $96, March-April $101, Swedish—Spot $95.50, 1/Canadian Feed—unquoted.

Sorghum: Argentina/U.S.—AFL $118, Jan. $118, Feb. $118.50, April-June $106.

Barley: U.S. No. 3/Canadian 1/—all unquoted.

Soyabeans: U.S. 2 Yellow Gulfports—Jan. $286, Feb. $285.0, March $286, April $287, May $286.75, June-July-Aug. $289, Sept. $238.25, Oct. $272.75, Nov. $271.25, Dec. $274.25, Jan. $278, Feb. $281.25, March $282.25 sellers.

PARIS, Jan. 25.

Cocoa (FFr per 100 kilos): March 1420-1425, May 1443-1448, July unquoted, Sept. 1526-1550, Dec. 1535 asked, March 1505-1540. Accumulative total 126.

Sugar (FFr per 100 kilos): March 810-811, May 836-837, July 850-856, Aug. 880-887, Oct. 911-916, Nov. 905-910, Dec. 930-940, March 981 value. Sales at call 2.

INDICES

FINANCIAL TIMES

Jan. 24	Jan. 23	M'nth ago	Year ago
263.01	262.81	257.34	231.48

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 24	Jan. 23	Month ago	Year ago
Spot	374.43	376.30	382.70	349.94
F'tur's	370.02	372.75	381.03	336.94

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 24	Jan. 23	M'th ago	Year ago
Sple Comty	[illegible]	994.7	975.4	901.1

(December 31, 1931=100)

REUTERS

Jan. 25	Jan. 24	M'nth ago	Year ago
1503.2	1502.7	1495.5	1397.8

(Base: September 18, 1931=100)

Abattoirs may lose local subsidies

THE DAYS are numbered for subsidised municipal slaughterhouses, financed from the rates.

Local authorities are growing less and less willing to pump money into loss-making slaughterhouses to help the local meat industry, said Mr. Geoff Harrington, marketing director of the Meat and Livestock Commission.

He told the MLC's northern meat conference in Huddersfield that over the past year or two the amount of money local councils have paid out to these abattoirs has been measured in millions of pounds. He envisaged a time soon when the only viable slaughterhouses left would be large commercial enterprises involved not just in slaughtering but in further meat processing.

India plans sugar stockpile

NEW DELHI — India has decided to build a buffer stock of 500,000 tonnes of sugar, Surjit Singh Barnala, Agriculture Minister, said.

Inaugurating the annual meeting of the National Federation of Co-operative Sugar Factories, Mr. Barnala said this would provide some relief to the industry.

He estimated this year's sugar production would be about 6.5m tonnes and India would export about 850,000 tonnes of sugar between October 1978 and September 1979.

Mr. Barnala said India had studied the Brazilian method of producing alcohol from sugarcane and would be recommending steps soon.

He asked the industry to study other ways of utilising the growing sugarcane crop.

LEGAL NOTICES

No. 0099 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DAVID DUNCOMBE LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 19th day of January 1979 presented to the said Court by HUTCHINGS AND HARDING LIMITED [illegible] Sawston, Cambridge.

And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

JENKINS, DOGGETT & CO., 22 Mulfords Hill, Tadley, Basingstoke, Hants. RG26 6JQ.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of February 1979.

THE COMPANIES ACTS 1948 TO 1967
AMBASSADOR SPORTS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., 3/4 Bentinck Street, London, W1A 3BA on Monday, the 5th day of February, 1979, at 12 o'clock midday for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 19th day of January, 1979.
By Order of the Board,
G. DUCKER, Director.

THE COMPANIES ACTS 1948 TO 1976
G.T. CARS (NORFOLK) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., situated at 3/4 Bentinck Street, London, W1A 3BA on Thursday, the 1st day of February, 1979, at 12 o'clock midday for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated the 18th day of January, 1979.
By Order of the Board,
J. F. EVANS, Director.

THE COMPANIES ACTS 1948 TO 1967
HAPER PLASTICS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., situated at 3/4 Bentinck Street, London, W1A 3BA on Tuesday, the 6th day of February, 1979, at 12 o'clock noon, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated the 15th day of January, 1979.
By Order of the Board,
D. STANLEY, Secretary.

THE COMPANIES ACTS 1948 TO 1976
HYNECASTLE (RENTALS) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., situated at 3/4 Bentinck Street, London, W1A 3BA on Thursday, the 1st day of February, 1979, at 2.30 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 18th day of January, 1979.
By Order of the Board,
J. F. EVANS, Director.

Unchanged MLR fails to restore confidence in markets

30-share index regains 0.9 after three-day fall of 17.9

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6

* "New time" dealings may take place from 9.30 am two business days earlier.

The warning of a major production slump soon unless secondary picketing is lifted and another day of frustration as regards travel were countered as influences in stock markets yesterday by a Press largely of the opinion that the Discount Houses were over-reacting to current money market pressures and that a rise in Minimum Lending Rate today was most unlikely.

A certain amount of unease was still being felt in the early trading as markets awaited 12.30 pm, when any alteration in MLR is announced. The deadline passed without any such announcement, however, and markets immediately reflected relief but no conviction that a technical recovery would hold in the short-term despite the sharp downturn earlier in the week.

Although there appeared to be some scope for closing short positions, little business of any substance materialised either in the equity or Gilt-edged sectors. British Funds of a longer maturity were raised ¼ at the opening, or ¼ above the low levels reached late the previous *evening, but small demand was* easily satisfied and quotations eventually drifted back to around overnight list levels.

The shorts responded more favourably to removal of the immediate threat to MLR and bear covering in a thinner business extended opening *recoveries to ¼ by the close.* Quoted in clean form, **Treasury** 9 per cent 1980 attracted investment interest and advanced an exceptional ¼ to 96¾.

Providing a good illustration of the limited movement in leading industrial shares, the range in the FT 30-share index was limited to less than a point; the opening calculation was unaltered on the overnight figure and yesterday's final index *showed a recovery of a mere 0.9* at 461.9 after its fall of nearly 18 points in the previous three days. On a broader scale, falls maintained Wednesday's five-to-two majority over rises in all FT-quoted industrials.

Awaiting the re-opening of South African markets following that country's major changes in its exchange rate policy, Gold shares were lowered defensively in the wake of overnight U.S. *selling. Business was considerably* less than Wednesday's level and prices eventually picked up to leave moderate net losses ranging to ¾ among heavyweight stocks.

A well-matched two-way trade in the investment currency market saw the premium move between 92¾ and 91¾ per cent for most of the day and short covering helped it close at the day's highest of 92¾ per cent, a fraction harder on the day. Yesterday's SE conversion factor was 0.6796 (0.6773).

Ahead of the preliminary results, due on February 8, a good demand was seen for **Imperial Group's** February 80 series in the traded option *market and 150 contracts were* completed. Overall, 603 deals were done compared with the previous day's 906.

UDT better

Despite the recent bid denial, buyers came again for **UDT** on *hopes that an offer, possibly* from America, may soon materialise and the shares closed *2 higher at 45p.* Australian banks made progress on domestic influences and improvements of 6 and 7 respectively were seen in **ANZ**, 348p, and **National Bank of Australasia**, 212p. Recent sell*ing of the major clearers dried* up and prices edged forward; **Lloyds**, up 2 at 288p, will start the annual dividend season on February 16. Insurances traded quietly and were featureless.

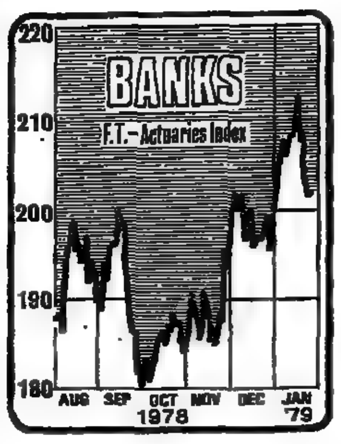
Following the chairman's reiteration of the need for a beer price increase and his *remarks that first quarter trading* was in line with expectations, **Bass** *rose to 165p before closing* a net penny to the good at 164p.

Interest in the Building sector *was at a low ebb and leading* issues rarely strayed far from overnight closing levels. Among the occasional firm spots, **G. R.** *Francis encountered scattered* support and put on 4 to 60p, while **Y. J. Lovell** hardened a penny to 130p in response to the increased dividend and profits. In contrast, **Magnet and Southerns** remained on offer and reacted 5 more to 135p, while similar losses were seen in ***Brown and Jackson***, 255p, and **J. Latham**, 135p.

Status Discount good

Status Discount highlighted Stores with a rise of 13 to 232p following comment on the record profits and the proposed 400 per *cent scrip-issue* which will reduce the price to an equivalent of 50p per share. Buying ahead of the interim results expected early next month helped recent speculative favourite **MFI Furniture** to add 7 to 188p, after 187p, while renewed demand in a thin market left **Waring and Gillow** *5 up at 141p.* Among the leaders, **Burton** attracted fresh speculative support on continuing hopes that the "A" shares will soon be enfranchised; the ordinary closed 3 higher at *210p* and the A 4 up at 188p, while the Warrants closed a fraction dearer at 48½p. By way of contrast, **Home Charm** reacted 6 to 254p on profit-taking.

Steadier conditions prevailed in the Electrical leaders where prices fluctuated within narrow limits and closed little altered on balance, while secondary issues continued to ease although losses were usually more modest than of late. **AB Electronic** gave up 8 to 152p, while **Louis Newmark**, an extremely thin market, lost 15 to 215p.



The absence of sellers made for a slightly better trend in the Engineering leaders. **Tubes**, 360p, and **GKN**, 246p, both hardened a few pence, while **John Brown** added 2 further to 362p, the *last-mentioned awaiting today's interim results.* Elsewhere, **Bullough** featured with a rise of 13 to 177p in response to the increased dividend and *profits.* Other occasional bright spots included **Westland**, 1½ dearer at 39½p, and **Percy Lane**, 3 to the good at 44p. In contrast, **Williams and James**, a good market of late, encountered fresh selling and ran back 6 to 125p. **Staveley** fell 5 to 282p and falls of 4 were marked against **Burgess Products**, 53p, **WGI**, 118p, and **Glynwed**, 105p. Dealings were temporarily suspended in **Dartmouth Investments** at 19½p; the company announced yesterday that discussions are taking place which may lead to an offer.

Tate and Lyle remained depressed following the dividend reduction and fell 10 for a two day loss of 38 to 144p. Elsewhere among Foods, the odd feature emerged following a quiet trade. **RHM** shed 2½ to 47½ after the chairman's discouraging statement. **Hillards** provided a bright *spot at 313p, up 7, on reflection* of the sale of 17 shops trading under the Capital Discount banner coupled with the statement anticipating a substantial profits increase. Wholesalers and Retailers, **Fitch Lovell** reported a 46 per cent rise in mid-term profits, but the company's *caution* over the second half restricted the shares to a rise of a penny at 61p.

Miscellaneous Industrial leaders edged tentatively forward as recent selling subsided. Business volume was negligible but **Beecham**, 605p, **Glaxo**, 482p, **Turner and Newall**, 154p, and **Unilever**, 522p, all retrieved a couple of pence. **Rank Organisation**, however, softened 2 for a two-day relapse of 21 to 245p following comment on the proposed £62m rights issues which accompanied the satisfactory annual results. *Elsewhere,* **British Cinematograph Theatres** rose 5 to 68p on favourable Press comment which suggested that the *company's* asset value is nearer 140p per share. **Macarthys Pharmaceuticals**, 117p, and **Cowan De Groot**, 71p, improved 2 and 1 respectively after their interim announcements and **Liden** rallied 2 more to 11p from the recent depressed level which followed news that the company's accounts had been delayed for a month. **Chamberlain Phipps** hardened a penny to 44p in response to an investment recommendation and Sothebys revived with a rise of 5 to 350p.

Chamberlain jump

Following details of the agreed 65p per share cash bid from Brown and Sharpe of the U.S., dealings were resumed in **Chamberlain Group** and the *close was 62p compared with the* suspension price of 45p. Profit-taking after the previous day's late jump of 11 which greeted the surprise 50p per share bid from Camrex left **Dufay Bitumastic** 3 lower at 47p, after 46p. After the recent good rise which *followed* the excellent results, **Finlas** reacted 7 to 123p.

Associated Engineering reacted 5½ to 100p following the chair*man's profit warning. Elsewhere,* Motors and kindred issues closed narrowly mixed in a lack-lustre business. **Harold Perry** and **Heron** both shed 2 to the common level of 110p, while **Lookers** fell 3 to 61p. **ERF** shed 3 for a three-day loss of 11 to 102p. In contrast, **Kenning** attracted support and firmed 2½ to 74½.

Associated Newspapers eased 2 for a two-day fall of 7 to 178p after further consideration of the Evening News rationalisation plans. Takeover favourite **Mills and Allen** reacted 8 to 207p in the absence of *fresh speculative* demand.

Interest rate worries restricted interest in Properties and prices drifted lower on lack of support. ***Corn Exchange*** dipped 5 to 237p and **Berkeley Hambro** cheapened 4 to 140p.

Oils steady

A slight turn for the better in the Oil leaders mainly reflected the absence of any further selling. **British Petroleum** hardened 4 to 892p and **Shell** eventually settled at 558p, up 2, after 560p.

Standing at 322p immediately ahead of the announcement, **Inchcape** fell to 313p following the interim statement but picked up to close only a net 4 off at 318p helped by the company's confidence in future trading.

Trusts gave a little further ground in *light trading. Against* the trend, **Derby Income** attracted further support at 221p, up 4, while, following the South African economic proposals, **FUGIT** gained 6 to 53p.

Carpet manufacturers continued to be adversely affected by a recent warning of increasing imports and over-capacity. **Carpets International**, 50p, **Shaw Carpets**, 67p, and **Tomkinsons**, 58p, all gave up 2. Elsewhere in Textiles, interest was confined to those reporting trading statements. **Lister** rose 3 to 54p on the sharp increase in taxable profits at the interim stage, while **R. Smallshaw (Knitwear)** also pleased, rising 6 to 50p on the increased full-year profits and proposed 100 per cent scrip *issue. Worsted spinners* **Allied Textile**, however, relinquished 2 to 140p on the annual results. Renewed speculative support *lifted* **Sirdar** 7 to a 1978-79 high of 98p.

Reaction in Golds

South African mining issues ran into profit-taking after the previous day's substantial rises that accompanied news of the major changes in the country's exchange rate policy.

Although trading was by no means as hectic as on Wednesday, the market remained nervous. Prices were marked down sharply at the outset, reflecting overnight American profit-taking. They eased further throughout the day, but a modest rally developed in the after-hours business as U.S. support followed the late rally in the bullion price—finally $1.50 lower at $235.375 per ounce, after $233.85 at the afternoon fixing.

After Tuesday's gain of 15.9, the Gold Mines index fell 5.0 to 176.0, while the ex-premium index was 3.0 down at 116.2.

Among heavyweight Golds, **Randfontein** lost ¾ to £34¾, **Hartebeest** a half-point to £13¾ and **Vaal Reefs** ½ to £16½.

Medium- and lower-priced issues showed **East Driefontein** 42 lower at 763p, **Libanon** 21 off at 529p and **Blyvoor** 15 down at 329p.

South African Financials moved similarly to Golds. **De Beers**, which topped our list of active stocks, were notably weak and dropped 20 to 432p, while **Anglo American** gave up 10 to 345p and **UC Investments** 5 to 245p.

In contrast with Golds and Financials, Platinums made further progress in the wake of the free market platinum price. **Impala** advanced 8 to 210p, while **Rustenburg** added 12 to a 1978-79 high of 132p, the latter following the chairman's remarks at the annual meeting.

Australians were generally better reflecting the continuing buoyancy of base-metal prices. New highs for 1978-79 were seen in **Mount Lyell**, which rose 5 to 63p, **BH South**, *132p*, and **Pacific Copper**, 84p, both around 2 firmer.

The recent advance in the bullion price prompted a good demand for **Gold Mines of Kalgoorlie** and **North Kalgurli**; the former jumped 8 to a high of 82p and the latter improved 2½ to 14p.

OPTIONS

DEALING DATES

First Deal- ings	Last Deal- ings	Last Declara- tion	For Settle- ment
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30

For rate indications see end of Share Information Service

Money was given for the call in **Town and City, UDT, Tate and Lyle, Grand Metropolitan, Ultramar, Mills and Allen, Carron, Liden, Bridgend, Charterhall, William Press, GEC, Cons. Gold Fields, Rolls-Royce, Corinthian** *Holdings,* **Capital and Counties** and **Status Discount**. Puts were reported in **William Press** and **New Throgmorton Capital**, while doubles to be arranged included **UDT, Vinten, Imps, Corinthian** and **Capital and Counties**.

RISES AND FALLS YESTERDAY

British Funds	23	8	51
Corpns, Dom. and Foreign Bonds	5	20	41
Industrials	172	[illegible]	902
Financial and Prop.	67	111	329
Oils	3	5	25
Plantation	5	9	20
Mines	38	66	34
Recent Issues	2	8	14
Totals	316	672	1,417

FINANCIAL TIMES STOCK INDICES

—	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 19	Jan. 18	A year ago
Government Secs.	66.47	66.47	66.99	67.00	67.37	67.62	76.37
Fixed Interest	68.58	68.88	69.18	69.39	69.80	70.02	80.47
Industrial	461.9	461.0	467.6	473.1	478.9	474.5	475.8
Gold Mines	171.0	176.0	160.1	159.5	154.3	150.1	152.7
Gold Mines(Ex-$ pm)	116.2	119.2	109.5	109.6	105.9	103.3	114.9
Ord. Div. Yield	6.24	6.30	6.22	6.16	6.08	6.12	5.64
Earnings, Y'ld % (full)	16.33	16.52	16.31	16.14	15.94	16.05	17.19
P/E Ratio (net) (*)	7.94	7.83	7.93	8.01	8.11	8.09	8.25
Dealings marked	3,661	3,437	3,782	4,317	3,835	3,958	6,012
Equity turnover £m.	—	75.35	56.83	53.74	58.51	61.54	83.84
Equity bargains total	—	12,064	11,937	11,299	10,974	11,421	14,531

10 am 461.0. 11 am 461.9. Noon 461.4. 1 pm 461.5. 2 pm 461.7. 3 pm 461.7.
Latest Index 01-246 8026.
*Nil=7.72.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS — S.E. ACTIVITY

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	66.47 (24/1/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	68.58 (25/1/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (26/1/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (19/4/78)	337.1 (3/4/74)	54.3 (26/6/76)

—	Jan. 25	Jan. 24
—Daily Gilt Edged	113.9	109.4
Industrials	117.5	118.1
Speculative	56.6	43.4
Totals	83.3	78.2
5-day Av'r'ge Gilt Edged	131.0	136.2
Industrials	132.0	135.6
Speculative	40.7	41.2
Totals	88.9	90.3

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978/79.

NEW HIGHS (22)

CANADIANS (4): Hudson's Bay Oil Gas, Royal Bank of Can., Pacific Pet., Seagram
BEERS (1): Macallan-Glenlivet
BUILDINGS (1): Sabah Timber
CHEMICALS (1): Vibroplant
ELECTRICALS (1): British Benzol
ENGINEERING (1): Bullough
HOTELS (1): Bolton Textile
INDUSTRIALS (3): Swan Ryan Intl.; British Cine.; Chamberlain Group; Cowan de Groot
PAPER (1): Ferry Pickering
TEXTILES (2): Sirdar; Toray
TRUSTS (1): Challenge Corp.
MINES (7): Minorco; Vogels; Lydenburg; Rustenburg Plat.; B.H. South; Gold Mines Kalgoorlie; Mount Lyell; Pacific Copper; Killinghall

NEW LOWS (41)

BRITISH FUNDS (1): Treas. 13¼pc 1997
CORPORATION LOANS (7) [illegible]
LOANS (3) [illegible]
FOREIGN BONDS (1) [illegible]
BANKS (2) [illegible]
BUILDINGS (6) [illegible]
CHEMICALS (1) [illegible]
STORES (1) [illegible]
ELECTRICALS (1) [illegible]
ENGINEERING (6) [illegible]
FOODS (1): Tate & Lyle
INDUSTRIALS (6): Bestobell; Caravans Intl.; Cowan de Groot; Fertleman (B.); Unochrome; Wilson Walton
INSURANCE (1): Royal
MOTORS (2): Fodens; Assoc. Eng's
NEWSPAPERS (1): Liverpool Daily Post
PROPERTY (1): Nelson
TRUSTS (1): Akroyd & Smithers

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
De Beers Defd.	R0.05	10	432	—20	488	285
Tate & Lyle	£1	10	144	—10	218	144
GEC	25p	9	317	—	349	233
ICI	£1	8	354	+ 1	421	328
Shell Transport	25p	8	558	+ 2	602	484
BP	£1	7	892	+ 4	954	720
Barclays Bank	£1	7	378	—	398	298
Marks & Spencer	25p	7	85	—	94	67½
Rustenburg Plat.	R0.10	7	132	+12	132	70
Dufay Bitumastic	10p	6	47	— 2	49	28½
GUS A	25p	6	300	—	340	258
P & O Defd.	£1	6	87	—	118	76½
Royal Insurance	25p	6	335	— 5	425	335
Sedgwick Forbes	10p	6	400	—	475	310
Boots	25p	5	185	—	237	184

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1000	5	4	15	—	—	—	890p
Com Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	141p
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	191p
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	111p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	316p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	118p
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	354p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	246p
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	86p
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	558p
Totals			297		163		[illegible]	
		February		May		August		
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	69p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	135p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	86p
Totals			153		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

Issue Price p.	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p.	+ or —	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Ashton Mining 50c	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Aust. Farming A$1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gosforth Ind. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Harris Queensway 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hunting Assoc. Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	HAS Cargo Airlines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	N.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Mill Ltd. s'ceShips 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or —
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Assoc. Dairies 9½% Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Colne Valley Water 8% Red Prf 1983	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. 10% Red. Prf.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hawley-Leisure 12% Cnv. Uns. Ln. '85-'88	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	HAS Cargo Airlines 6% Cnv. Pref. £1	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mid Kent Water 8% Red. Prf. 1983	[illegible]	[illegible]
100p	F.P.	[illegible]	[illegible]	[illegible]	Ovington Read 9½% Cnv.Cum.Red.Prf.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sonocope 10¼% Ref. Prf.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p.	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p.	+ or —
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Associated Biscuit	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Boulton (Wm.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Foster (John)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Stakemore Estates	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Metal Box	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nat. Westminster	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Poseidon	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Suter Electrical Defd.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	York Fine Woollen	[illegible]	[illegible]

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Thurs., Jan. 25, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Wed. Jan. 24 Index No.	Tues. Jan. 23 Index No.	Mon. Jan. 22 Index No.	Fri. Jan. 19 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	227.64	-0.4	17.67	5.76	7.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (28)	202.84	-0.7	18.94	6.36	7.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	342.72	-1.2	22.60	5.27	6.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	533.19	—	14.44	3.56	8.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	353.62	-0.6	19.00	6.40	7.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (73)	177.43	-0.4	18.54	6.36	7.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	158.71	-0.3	17.26	9.05	6.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS										
11 (DURABLE) (53)	203.59	-0.1	17.32	5.31	7.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	259.21	+0.3	14.56	4.00	8.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	163.57	-0.4	18.47	6.97	7.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (25)	115.60	-0.4	22.14	7.32	5.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS										
21 (NON-DURABLE) (170)	205.67	+0.1	16.86	6.22	7.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	226.25	+0.4	16.85	6.64	7.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	291.00	+0.4	15.96	5.12	9.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	270.29	+0.4	16.20	6.82	8.37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	219.71	-0.5	19.39	5.71	6.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	226.17	—	15.27	5.20	8.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	378.70	-0.6	21.24	6.46	6.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	131.39	-0.3	19.20	8.02	6.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	203.89	+0.2	15.23	5.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (25)	174.27	+0.2	18.45	8.60	7.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	236.45	+0.2	19.43	7.94	5.04	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	89.37	+0.5	24.83	7.27	4.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	200.43	+0.2	16.70	6.42	7.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (19)	273.27	+0.2	16.28	6.92	8.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Pharmaceutical Products (7)	226.66	-0.1	11.73	4.91	10.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Office Equipment (6)	127.65	-1.0	17.31	6.34	7.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Shipping (10)	420.79	+0.1	16.65	7.05	7.06	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47 Miscellaneous (57)	209.20	-0.1	16.23	6.90	7.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	214.49	-0.1	16.90	6.10	7.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	499.62	+0.4	13.98	4.03	7.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	238.17	—	16.45	5.77	7.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (115)	162.17	—	—	5.86	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	202.02	+0.1	23.32	5.85	6.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	211.42	-0.1	—	8.61	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	161.95	+0.1	19.76	5.40	6.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	130.69	-0.2	—	6.86	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	117.75	-0.2	—	7.12	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	295.11	+0.5	16.18	5.75	8.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	79.57	-0.1	—	6.27	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	257.84	-0.3	3.95	3.03	40.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	113.75	-0.3	19.67	6.93	6.31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (111)	209.49	-0.1	—	5.07	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	111.74	-1.8	16.82	6.37	7.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	317.95	+0.1	15.75	7.43	7.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	219.97	-0.1	—	5.79	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Thurs. Jan. 25	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

		Thurs. Jan. 25	Wed. Jan. 24	Year ago (approx.)
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]

	Thur., Jan. 25 Index No.	Yield %	Wed. Jan. 24	Tues. Jan. 23	Mon. Jan. 22	Fri. Jan. 19	Thur. Jan. 18	Wed. Jan. 17	Tues. Jan. 16	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. [illegible]

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

CORAL INDEX: Close 461-466

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	11.75%

†Address shown under Insurance and Property Bond Table.

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Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	13.10
22	6	Chinese 4½pc 1898	18	......	—	—
35	4½	Do. 5pc 1912	31	......	—	—
20½	4½	Do. 5pc 1925 Boxer	17	......	—	—
415	350	German Yng. 4½pc..	415	......	4½	—

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47⅝% (based on US$1.9657 per £)

Conversion factor 0.6794 (0.6773)

CANADIANS

S.E. List Premium 47⅝% (based on $2.3750 per £)

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هكذا من الأصل

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[illegible]

INSURANCE—Continued

[illegible]

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[illegible]

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SOUTH AFRICANS

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TOBACCOS

[illegible]

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Investment Trusts

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INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

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FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
156	64	Bougainville 50 Toea	155	−1	†Q8c	1.4	3.2
132	63	BH South 50c	132	+2	—	—	—
820	150	Central Pacific	450	+50	—	—	—
336	148	Conzinc Riotinto 50c.	306	+1	‡Q10c	2.2	‡
32	19	Cultus Pacific N.L.	27	−1	—	—	—
27	9½	Endeavour 20c	19	+1	—	—	—
82	45	G.M. Kalgoorlie $1.	82	+8	—	—	—
68	18	Haoma Gold N.L.	37	......		—	—
158	81	Hampin Areas 5p.	152xd	......	♦13.55	2.0	3.5
40	10	Metals Ex. 50c	34	+2½	—	—	—
256	125	M.I.M. Hldgs. 50c	256	......	†Q9c	1.7	2.2
22	10	Minefields Expl.	15	......	—	—	—
63	10	Mount Lyell 25c	63	+5	—	—	—
56	12	Newmetal 20c	29	......	—	—	—
143	79	North B. Hill50c	125	−1	Q8c	1.3	4.0
16½	8½	Nth. Kalgurli	14	+2½	—	—	—
50	12	Nth. West Mining	28	−2	—	—	—
178	115	Oakbridge $A2	130	......	Q12c	1.9	10.3
42	10	Oilmin N. L.	30	+3	—	—	—
84	30	Pacific Copper	84	+2	—	—	—
£15½	725	Pancont'l 25c	925	+50	—	—	—
40	12	Paringa M&Ex.5p	19	−½	—	—	—
570	310	Peko-Wallsend 50c.	510	+6	Q15c	ϕ	1.8
300	50	Southern Pacific	180	+5	—	—	—
164	84	Westn. Mining 50c	163	−1	Q3c	0.7	1.1
100	35	Whim Creek 20c	60	−5	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	25	......	2.81	1.3	16.8
430	240	Ayer Hitam $M1	430	......	Q300c	0.5	15.0
60	45	Beralt Tin	52	......	4.0	ϕ	11.5
305	190	Berjuntai $M1	255	+5	†Q110c	1.0	10.1
185	111	Geevor	148	−2	H5.57	5.8	5.6
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	315	−5	18.0	ϕ	8.7
320	130	Hongkong	300	+5	12.5	ϕ	6.2
93	64	Idris 10p	68	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	76	−1	†Q12.5c	2.1	3.5
245	133	Killinghall $M1	245	+5	—	—	—
470	280	Malay Dredging $M1	443	+8	Q175c	0.7	8.5
78	40	ΔPahang	48	−1	—	—	—
78	50	Pengkalen 10p	68	+1	4.5	ϕ	10.2
270	165	Petaling $M1	225	−5	Q120c	ϕ	11.5
87	49	Saint Piran	77	......	†2.03	6.5	3.9
70	47	South Crofty 10p	55	−1	†4.19	2.8	11.4
245	140	South Kinta $M0.50	187	−3	†tQ145c	0.6	16.7
370	230	Sthn Malayan $M1	365	−5	Q190c	1.0	11.2
240	134	Sungei Besi $M1	235	−5	mQ65c	5.3	5.9
85	55	Supreme Corp. $M1	75	+5	ZQ10c	—	2.9
103	84	Tanjong 15p	103	......	6.60	0.8	9.6
105	74	Tongkah Hrbr. $M1	105	......	Q35.82%	0.7	7.3
270	148	Tronoh $M1	245	−5	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	88	+2	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	70	−2	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	165	Cons. Murch. 10c.	265	+5	—	—	—
465	245	Northgate C$1	380	−10	—	—	—
268	164	R.T.Z.	258	−4	9.5	2.8	5.5
90	30	Sabina Inds. C$1	43	+1	—	—	—
£12	687	Tara Exptn. $1	820	+8	—	—	—
210	120	Yukon Cons. C$1	205	......	Q7c	2.9	1.6

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$12¾	−¼	Q170c	2.8	15.4
$11¾	830c	East Drie R1	$10¼	−⅝	†Q78c	1.7	8.8
585c	330c	East Rand Prp. R1	410c	−8	—	—	—
$28¾	$16½	F.S. Geduld 50c	$23¼	+½	Q315c	ϕ	15.6
$15⅛	975c	Pres. Brand 50c	$13¾	−½	Q150c	ϕ	13.1
$13⅝	900c	St. Helena R1	$12⅛	−⅝	Q190c	ϕ	18.0
486c	313c	Stilfontein 50c	480c	−6	†Q22c	2.3	5.3
$22⅛	$16¼	Vaal Reefs 50c	$21⅞	−¼	Q115c	3.9	6.1
$37	$25	West Drie R1	$31	−1½	Q385c	1.7	14.3
$31¼	$19	West Hldgs. 50c	$27	−½	Q415c	ϕ	17.7
$13	895c	Western Deep R2	$12⅝	−¼	Q82.5c	2.4	7.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or —
Albany Inv. 20p	26	......
Ash Spinning	100	−3
Bertam	14	......
Bdg'wtr. Est. 50p	320	......
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	35	......
Ellis & McHdy	69	......
Evered	27	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	135	......
Higsons Brew	70	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	235	......
Pearce (C. H.)	198	......
Peel Mills	22½	......
Sheffield Brick	51	......
Sheff. Refrshmt.	78	......
Sindall (Wm.)	120	......

IRISH

Stock	Price	+ or —
Conv. 9% '80/82	£89	......
Alliance Gas	110	−1
Arnott	370	......
Carroll (P.J.)	88	......
Clondalkin	96	−2
Concrete Prods.	140xd	......
Heiton (Hldgs.)	50	+2
Ins. Corp.	160	......
Irish Ropes	102	......
Jacob	52	+2
T.M.G.	190	......
Unidare	88	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	9
Babcock	11
Barclays Bank	25
Beecham	35
Boots	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	12
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	7
Eagle Star	11
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	20
Inveresk	8
KCA	3
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	5
Lonrho	5
Lucas Inds.	25
Lyons (J.)	10
"Mams"	7
Mrks. & Spncr	10
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	8
Plessey	8
R.H.M.	5
Rank Org. 'A'	18
Reed Intnl.	12
Spillers	3
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	35
Utd. Drapery	7½
Vickers	15
Woolworths	5

Property	
Brit. Land	3¼
Cap. Counties	4½
E.P.	5
Intreuropean	4
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼

Oils	
Brit. Petroleum	45
Burmah Oil	5
Charterhall	3
Shell	28
Ultramar	20

Mines	
Charter Cons.	12
Cons. Gold	14
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday January 26 1979

Cancer patients threat lifted

By John Elliott, Industrial Editor

FEARS THAT the wave of strikes would put at risk the care of dangerously sick people were eased yesterday.

Pickets lifted a blockade on a Birmingham hospital that has been causing cancer patients to be sent home and drug companies admitted that there was no immediate risk of a shortage of their products.

However, effects on manufacturing industry increased and more than 200,000 people are laid off. Vauxhall Motors is no longer producing completed vehicles at Luton and Dunstable, and has sent notices to 4,000 workers. BL (formerly British Leyland) has laid off 10,300 people and Ford says that its spare parts supplies are being disrupted.

In public services, union leaders involved in the selective industrial action by 1.5m workers have set up a formal structure for co-ordinating their efforts. Union officials met to work out how to maintain essential supplies.

At the Birmingham hospital, pickets blockaded supplies needed for cancer treatment and 125 patients were sent home. Yesterday, after a threat of intervention by Mr. David Ennals, Social Services Secretary, the union agreed to lift picketing.

The drug companies' reports that there was no immediate drug shortage followed a statement to the Commons on Wednesday by Mr. Merlyn Rees, Home Secretary, that lorry drivers' picketing was causing worrying shortages that might necessitate the use of troops in a day or two.

Yesterday the drug companies, although receiving some supplies and delivering finished drugs, were worried about their ability to maintain continuous production after the end of next week. The Health Department said that the long production cycle of drugs might lead to shortages in a few months.

Food supplies are enough for seven days, according to the Government, although the confectionery manufacturing industry said that £8m exports are delayed in docks. Last night, however, a strike and a mass picket were threatened in Cheshire after five Safeway distribution drivers were suspended for not crossing a secondray picket line.

Picketing eased at many important ports, although not at Tilbury. Postal services are also affected, with more than 4m letters and 600,000 parcels bound for overseas held up.

Rail strike cost may cut train services

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL warned yesterday that some weekend and off-peak services might be cut to reduce the financial damage caused by the present series of national strikes if the Associated Society of Locomotive Engineers and Firemen continued its action.

Mr. Len Murray, the TUC general secretary, saw the leaders of all three rail unions separately, and then called them back for a joint meeting last night in an attempt to re-start negotiations to settle the dispute.

Sir Peter Parker, chairman of British Rail, said that the financial loss caused by the four national one-day strikes was well over £10m. There was no reason or expectation that the bill would be met by the taxpayer, or by an increase in prices which would lead to loss of passenger and freight business.

The losses from the strikes have already taken up 25 per cent of the £43m contingency fund available within British Rail's £541m cash limits for this year to deal with financial changes outside its control, including alterations to fiscal policy, disasters and disputes.

Mr. Ian Campbell, British Railways chief executive, said that action the board could take to minimise losses included curtailing some off-peak and weekend services and ending a lot of weekend working, which boosts pay through overtime earnings.

He admitted that the moves would harm rail workers other than the ASLEF members taking strike action.

Both he and Sir Peter stressed that the board was not yet in a position where it would take such measures, though there were "dark shadows" ahead. The board would not be "panicked" into taking action such as laying off rail workers.

Sir Peter denied that British Rail had made a mistake in awarding bonus payments last February of £2.50-£5.75 a week to pay train guards, members of the National Union of Railwaymen, which led to the ASLEF parity claim for 10 per cent special responsibility payments, which is at the centre of the present dispute.

The NUR wants an across-the-board productivity deal.

He said that conflict between ASLEF and NUR was frustrating all efforts to break the deadlock, but emphasised that the board was not prepared to reach a productivity deal for one grade in isolation from another.

The board's offer to renegotiate its national productivity scheme, which yields average payments of 2.5 per cent, would increase earnings for all rail staff, but would still give scope for specific gains by individual groups where there were "obvious opportunities" for improvements in efficiency and productivity.

The travelling public, and especially the "poor frozen commuter," was being used as "a battering ram" against a door which had always been open.

All British Rail services were halted yesterday by the fourth national strike in ten days. ASLEF's 2,000 London Tube train-drivers and guards will meet on Monday to hear productivity proposals from London Transport which Mr. Ted Miles, ASLEF executive member responsible for London Transport, said they would "not be happy about.'

Nick Garnett writes: In the road haulage dispute yesterday the Northern Ireland Road Transport Association improved its previous offer of a top rate of £61.50 to £62.50, with improved fringe benefits.

Union negotiators said the package, probably worth 15 to 18 per cent, was the best they thought they could achieve, but they would make no recommendations at mass meetings of drivers due tomorrow.

Negotiations in the southern and western regions of the Road Haulage Association continued yesterday. Pay talks in other areas are due within a few days.

U.S. may prosecute European shippers

By Ian Hargreaves and John Wyles

EXECUTIVES FROM a number of leading European shipping lines will shortly receive letters from the U.S. Department of Justice telling them that they could face personal criminal charges over the conduct of their companies' transatlantic services.

Although the European governments involved have been given advance warning of this latest move in the simmering conflict between European and U.S. shipping law, they have not been told which officials or which companies face indictment.

The threatened charges come two years after the Justice Department launched a Grand Jury investigation into alleged malpractices and anti-trust violations by shipping lines and their rate-fixing conferences on the North Atlantic. Such rate-fixing is regarded as legitimate practice outside the U.S.

The letters represent the Department's latest attempt to seize the initiative in the stormy debate within the U.S. Administration about the future of American shipping law.

Last summer, President Jimmy Carter ordered a full-scale inter-agency review of maritime policy after heavy criticism from Europe and Japan about what they see as the extra territorial application of U.S. martime law and increasing concern within the U.S. about the weakness of its merchant navy.

Investigation

The letters, understood to be on their way from Washington, inform the executives that they are "targets of criminal investigation." Under American law, individuals have to be given prior warning about possible criminal indictments.

After receiving the letters, the individuals involved have the right to appear before the Grand Jury to put their case against indictment.

In the past year the Grand Jury has received several tons of documents from the American shipping companies involved in the allegations of rate fixing and illegal collusion, but European governments have advised their companies not to supply papers.

The threat of prosecution comes at a time when relations between the U.S., Europe and Japan on shipping matters are better than they have been for some time, after a series of high-level meetings last year.

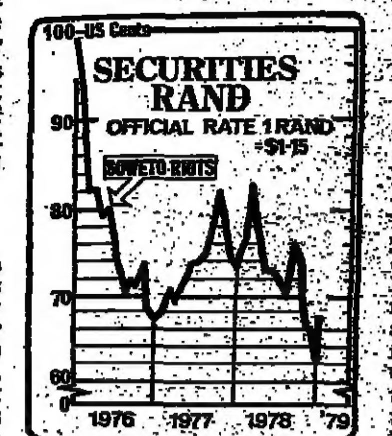
Maritime row boils over, Page 4

The year Inchcape hopes to forget

THE LEX COLUMN

The gilt edged market was looking steadier yesterday, and with no change in Minimum Lending Rate, the immediate pressure on money rates eased off a little. The FT 30-Share Index, too, was a shade firmer after its fall of nearly 18 points in the previous three days. But falls were still well ahead of rises across the equity market as a whole, and the atmosphere remains very uncertain.

Index rose 0.9 to 461.9



Inchcape

Inchcape expects to increase its dividend by a tenth this year, and to produce a healthy recovery in profits thereafter following what it sees as no more than a temporary setback. But 1978-79 will still be a nasty blot on the management's record. Interim profits have tumbled from £34.4m to £23m pre-tax, and the worst of the commodity trading losses (foreshadowed last November) have yet to be taken into account.

The half year figures carry £3.8m of these losses, against about £2m a year earlier. The pre-tax figure for the year as a whole will be struck after another £2.2m of trading losses and provisions of a further £12m—with no tax relief available for the time being. The group tax rate for the half year is roughly unchanged, even though Inchcape has changed its deferred tax treatment and not adjusted the comparable figure.

Meanwhile profits in the Middle East—which accounted for a quarter of the pre-tax total in 1977-78 and carry a low tax rate—have slumped by perhaps £5m or £6m. The renegotiation on reduced terms of Inchcapes port management contract in Dubai has made an appreciable difference, and the Jeddah management contract comes up for renegotiation later in 1979. Elshewhere, the Singapore subsidiary has been through a lean patch, and profits in Nigeria remain very depressed. Adding to this catalogue of woes is an adverse exchange rate swing of about £1m.

The hope is that these figures mark the low point. Profits of £40m or more—after charging the £12m provision—are apparently feasible for the year, against £62.3m last time. Retentions will be squeezed very sharply, and borrowings will be higher. But overall gearing should be lower thanks to a judicious revaluation, and to the new treatment of deferred tax.

In 1979-80, there should be no more commodity trading losses, and areas like Australasia and the UK are expected to do well. Yet a dividend yield of nearly 8 per cent at 318p is nothing special given the unexciting outlook for world trade.

Gold shares

A widespread reaction to the news that South African foreign exchanges were to be shut until next week to allow the de Kock proposals to be digested was to assume that a substantial devaluation of the rand was on the way. The position is still rather confused—commercial bankers were seeing the Reserve Bank yesterday—but there is nothing in the official statements so far to support the view that a devaluation is imminent.

The rand has already enjoyed a competitive devaluation through its link with the dollar and a further depreciation is not really justified yet by the balance of payments position. The authorities have also made it clear that there will not be a free float of the rand, but a distinctly "dirty" managed float, with the Reserve Bank operating to tight limits.

If there were overwhelming market pressure on the rand the Reserve Bank would probably bow to the inevitable, but the present spot rate does not look wildly inappropriate for the moment. A more difficult question is where the forward rates will settle under the de Kock proposals. There will presumably be some kind of a discount to the dollar, and the de Kock commission explicitly suggests that the Reserve Bank should not waste money in trying to force an unrealistic forward rate on the market.

For the stock market the question of the future parity of the "commercial" rand is as important as the proposed widening of the securities rand into the financial rand market. By last night it was clear that some of the initial euphoria that greeted the de Kock proposals was starting to wear off. The securities rand discount, which had narrowed sharply on Wednesday, widened yesterday, and the FT Gold Mines index lost some of the previous day's dramatic gain.

Gold shares had an abysmal year in 1978 and seriously underperformed the bullion price. However, over the past fortnight they have spurted ahead and still show gains of over a fifth. But the position now is uncertain. A depreciation of the rand would make a dent in the fabulous dividend yields of 20 per cent plus that nonresidents can earn on their investment, but on the other hand it would give a tremendous boost to the profits of high-cost marginal mines such as Durban Deep.

The other imponderable for gold shares concerns the future movement of the new financial rand. The South African authorities are anxious for the rates for the commercial and financial rands to converge as much as possible and some investors were taking this to mean that the securities rand discount—which is still considerably wider than it was shortly after the Soweto riots—would automatically narrow which in turn would enhance share prices.

It is true that by widening the old securities rand market to take in direct investment inflows the demand for the financial rand should increase. Against this it is not yet clear to what extent a narrowing of the discount would prompt foreign disinvestment and whether the authorities would countenance any mass exodus. In addition, it is not yet known just how much more volatile the market will become as sizeable capital flows are channelled through it. While the securities rand market can easily digest deals of R2m, a foreign company wanting to invest R50m in a new factory would have much more difficulty.

It will be some time before investors start testing the new financial rand (since investment projects are not dreamt up overnight). Even though the new machinery looks more efficient and could be attractive to wouldbe investors, at the end of the day the political cloud overhanging investment in South Africa has not disappeared.

Israel presses ahead with Western Sinai oil search

BY DAVID LENNON IN TEL AVIV

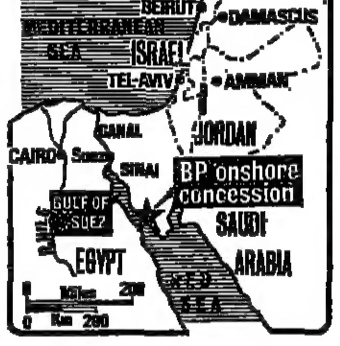
ISRAEL WILL start drilling for oil next week in one of the blocks on the west coast of the Sinai Peninsula for which British Petroleum recently paid Egypt a $2m (£1m) signature bonus for exploration rights.

The drilling operation is to go ahead despite the fact that Israel has agreed to return the exploration area to Egypt shortly after the peace treaty, now in the final stages of negotiation, is signed.

The work will be carried out by Neptune Oil, which in 1977 discovered the Alma oilfield in the Israeli-controlled sector of the Gulf of Suez. Neptune is owned by Superior Oil of Los Angeles and Houston.

The new well, to be called Gilli 1, will be drilled by a rig on the shore of Sinai south of A-Tur. The site is a few miles north of the Alma field, which came on stream last March and now produces 29,000 barrels a day, meeting one-fifth of Israel's oil needs.

If oil is found in the Gilli field, Israel could pipe it to the tanker which takes the oil from the Alma field to Eilat, the



Israeli port on the Red Sea.

Gilli I will be drilled in the same area as a well sunk by the Italian Agip company before Israel captured the peninsula in the 1967 war. The American company believes the Italians only narrowly failed to strike oil there.

BP was granted the concession by Egypt in November. It involves a number of blocks covering 450 square miles in Western Sinai, for which the company paid the $2m signature bonus. The contract could last eight years and BP might spend up to $20m on exploration if it lasted for the full period.

The agreement would come into effect six months after a peace treaty is signed.

Israel's decision to press ahead, despite hopes that a peace treaty may be signed soon, is based on the relatively low cost of the operation.

The rig is owned by Lapidot, a Government company, and the drilling is expected to be completed within 25 days. If oil is found it could be brought on stream within 60 days, the Americans say.

The imminence of a peace agreement has led Israel to halt its plans to do more offshore drilling. It recently changed its mind about leasing a drilling ship, because of the cost and the length of the contract which would be involved.

Continued from Page 1

Pickets: court move

the basis of the company's present manufacturing position. Mr. Prior knew nothing of the writ until yesterday morning.

United Biscuits has informed all its unions of the court action and relayed details to Mr. Alex Kitson, the Transport Workers' executive officer co-ordinating control of picketing on the basis of the union's recently-issued code of conduct.

That code, which has no basis in law, says pickets should allow through "own account" vehicles owned by companies not in dispute, together with supplies used in manufacture of good.

In the Commons Mr. Silkin said that whether certain picketing was "in contemplation of furtherance of a trade dispute" could not be determined by the very loose terms "primary" and "secondary."

"But under recent decisions of the courts, the test applied seems to have been whether the industrial action complaine dof has been so remote from the original trade dispute as to be not reasonably likely to further it."

He ruled out any immediate change in the law because it was unlikely to make any substantial difference to the balance of strength between employers and unions and would merely restore a host of anomalies.

The criminal law provided sanctions against violence, extortian and obstructing the highway or the police. "Pickets may lawfully indicate to a driver their wish peacefully to communicate with him. But no law requires him to stop.

"Extortion of money as the price for letting a vehicle through would be a most serious offence and indeed quite an intolerable act," said Mr. Silkin.

Replying to questions about intimidation, Mr. Silkin said that a threat of withdrawal of a union membership card was not necessarily unlawful. "But the courts are by no means slow to protect members of unions who lose their right to membership as a result of action which is not in accordance with union rules."

Picket demands for union subscriptions from drivers crossing their lines could be criminal offences. Suggestions that payments should be made to charities could also be illegal, he added. "It depends on the manner of the suggestion."

Continued from Page 1

Silkin pledge

farm prices must not be allowed to stand in the way of the new monetary system.

Without EMS, he said the process of European integration would come to a standstill.

Mr. Gundelach made it clear that he supported a price freeze in principle. But, although 1978 had been a record crop year certain to further aggravate the problem of farm surpluses, he would make no proposals on prices until all member states had been consulted.

"We must find a compromise which is fair to all parties concerned," he said. "That is why we will consult all states before finalising our prposals. We cannot afford to risk failure on such an important subject."

Herr Ertl reiterated that any proposals which would cut German farm incomes would be unacceptable.

Plans already sketched in for the new season review include a heavy tax on milk producers increasing their output

Robert Mauthner adds from Paris: M. Jean Francois-Poncet, the French Foreign Minister, said last night that he was convinced that the problem of MCAS which has been holding up the introduction of the EMS would be solved within the next few weeks.

M. Francois-Poncet did not think that there was any disagreement in principle between the Common Market member states on the need to progressively phase out the MCAs and that solutions to the practical difficulties could be found.

Norwegian Cabinet in danger of defeat on deal with Volvo

BY WILLIAM DULLFORCE IN OSLO

NORWAY may face a Government crisis over the country's bid to buy 40 per cent of Volvo, the Swedish car and truck company.

The central committees of two opposition parties, the Conservatives and the Christian People's party, decided yesterday to oppose the Volvo deal, when it is put to the Storting (Parliament) next month.

The opposition to the deal in Norway comes on top of vociferous attacks on the planned sale of Volvo stock in Sweden, where the small shareholders' revolt also appears to be gaining impetus. The deadline for the collection of proxy forms by the Volvo Board and the shareholders' association SARF expired at noon yesterday. The counting will not be completed until today.

But the indications are that SARF, with the help of some institutional investors, is close to the 33.4 per cent of the voting rights it needs to defeat the Norway deal at the shareholders' meeting in Gothenburg on Tuesday.

The Volvo board meets today to discuss the situation and to examine the company's preliminary results for 1978. Volvo said the board was unlikely to announce the result of its proxy campaign among the 130,000 shareholders before Tuesday.

The decisions of the Norwegian Conservatives and Christian People's Party mean that four of the five Opposition groups in the Storting have come out against the Volvo stock purchase negotiated by Mr. Odvar Nordli, Labour Prime Minister. The Labour Government needs two Opposition votes to make up a majority in favour of the purchase, and must now look to the small Centre Party.

At a meeting on Wednesday of the Centre Party Parliamentary group, a majority is understood to have spoken against the Volvo deal. The Centre Party council will take a formal decision on Monday, but indications are that it will decide to join the other non-Socialist parties in opposing the deal.

Mr. Nordli has said that the Volvo package, which includes agreements on long-term deliveries of North Sea oil to Sweden and of Swedish timber to Norway, is so important that his Government would resign if it were defeated in the Storting.

He appears to have two chances of avoiding defeat. Either the Volvo shareholders will vote down the sale of shares to Norway at their meeting in Gothenburg on Tuesday, so that the Volvo Bill is withdrawn from the Storting, or there will be some defections among Norwegian opposition MPs.

Mr. Nordli pointed to the latter possibility yesterday. "I know there is a majority in the Storting in favour of the Volvo agreement, and the Government will do its best to have that majority appear in the voting. If that does not happen, we must accept the consequences," he said.

The two members of the Christian People's Party who sit on the Storting industrial committee have previously backed the Volvo deal in public. On Wednesday, they indicated that they would follow the majority in their own parliamentary group.

Similarly, some members of the Centre Party would vote with Mr. Nordli if the party whip were not applied. Mr.

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Shipyard managers' recognition upsets TUC

By Alan Pike, Labour Correspondent

BRITISH SHIPBUILDERS, against the sustained opposition of the entire TUC establishment, yesterday agreed to recognise the Engineers and Managers Association in a decision which has wide industrial relations implications.

The decision, which follows a Court of Appeal judgment against the Advisory, Conciliation and Arbitration Service in another recognition case last week, is a severe blow to the TUC's efforts to limit recognition in the shipbuilding and engineering industries

TASS, the white collar section of the Amalgamated Union of Engineering Workers, which competes with the association to represent British Shipbuilders managers, immediately instructed its 7,000 shipbuilding members to refuse to take any instructions from Association managers. "Any members affected by this action will receive the full support of the executive," said TASS.

The association is affiliated to the TUC, but is not part of the Confederation of Shipbuilding and Engineering Unions.

At the end of 1977 the Shipbuilding and Allied Industries Management Association, which represents a majority of British Shipbuilders managers, became part of the Engineers and Managers Association, and a campaign to win national recognition rights has been in progress since then. These have been strenuously resisted by both the confederation and the full TUC general council.

Matters came to a head last month when more than 100 TASS members at Smith Dock (Haverton Hill) yard on Teesside were taken off the payroll for refusing to co-operate with association managers.

Weather

UK TODAY

SUNNY SPELLS, snow showers.

London, S.E., Cent. S., Cent. N., E. and N.E. England, E. Anglia, Midlands, Channels Is., S.E. Scotland.

Sunny intervals. Snow showers. Max 1C (34F).

Wales, S.W. and N.W. England

Snow showers, prolonged at times. Sunny spells. Max. 2C (36F).

Lakes, I. of Man, Scotland (except S.E.), N. Ireland.

Sunny intervals. Snow, heavy in places. Max. 1C (34F).

Outlook: Cold. Snow in places.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	Sn	1	34	Madrid	C	9	48
Bahrain	S	18	64	M'chstr	C	1	34
Barclna.	C	10	50	Melbne.	S	28	82
Beirut	F	17	63	Mex. C.	C	23	73
Belfast	C	0	32	Milan	Fg	3	37
Belgrd.	R	2	36	M'ntreal	C	1	34
Berlin	F	—1	30	M'sc'w	Sn	—8	18
Bmghm.	Sn	1	34	Munich	S	—1	30
Bristol	Sl	1	34	Nwcstl.	S	0	32
Brussels	C	1	34	N. York	R	3	37
Budpst.	C	2	36	Oslo	F	—11	12
B. Aires	C	35	95	Paris	S	3	37
Cairo	S	20	68	Perth	S	22	72
Cardiff	Sn	1	34	Reykjvk.	F	—3	27
Chicago	S	—4	25	Rio J'o	S	29	84
Cologne	C	—1	30	Rome	C	14	57
Cpnhgn.	Sn	0	32	Singapr.	S	29	84
Dublin	S	1	34	Stckm.	Sn	—12	10
Ednbgh.	S	2	36	Strasbg.	S	2	36
Frankft.	S	—2	28	Sydney	S	29	84
Geneva	S	1	34	Tehran	S	0	32
Glasgow	C	3	37	Tel Aviv	F	16	61
Helsinki	Sn	—8	18	Tokyo	C	9	48
H. Kong	S	21	70	Toronto	C	—1	30
Jo'burg	S	25	77	Vienna	S	2	36
London	C	5	41	Warsaw	C	—3	27
Luxmbg.	Fg	—5	23	Zurich	S	—1	30

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	13	55	Istanbul	C	12	54
Algiers	R	15	59	Jersey	C	3	37
Biarritz	F	10	50	L. Plms.	S	21	70
Blackp'l	C	1	34	Locarno	S	5	41
Bordx.	S	4	39	Majorca	C	14	57
Boulgn.	C	2	36	Malaga	D	16	61
C'a'b'ca	C	15	59	Malta	F	17	63
Cape T.	S	24	75	Nairobi	S	23	73
Corfu	R	14	57	Naples	D	13	55
Dbrvnk.	R	12	54	Nice	F	10	50
Faro	F	16	61	Oporto	C	13	55
Florence	C	12	54	Rhodes	F	16	61
Funchal	F	18	64	Salzb'rg	S	—1	30
Gibrltr.	C	14	57	Tangier	C	18	64
G'rnsey	R	5	41	Tenerife	C	16	61
Innsbrk.	S	—1	30	Tunis	F	18	64
Invrnss.	F	0	32	Valencia	C	13	55
I.o.Man	F	3	37	Venice	Fg	2	36

C—Cloudy. F—Fair. Fg—Fog. R—Rain. D—Drizzle. S—Sunny. Sl—Sleet. Sn—Snow.

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